

Daily Report

East Asia

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Ministerial Meeting Held on Growth Triangle BK2201101794 Bangkok BANGKOK POST in English 22 Jan 94 p 15

[Text] Prospects for implementation and success of the Indonesia-Malaysia-Thailand Growth Triangle bright-ened somewhat after the second ministerial meeting on the issue ended yesterday. Thai and Indonesian officials and their private sectors in particular were delighted about the outcome of the meeting. Their Malaysian counterparts, who before the meeting were said to have difficulty joining the project, turned out to be more willing than expected to make necessary adjustments.

The Indonesian, Malaysian and Thai governments will consider all business councils' proposals under the growth triangle project before submitting their decisions to the third ministerial meeting in May, in Medan, Indonesia.

Ministers from the three countries agreed to accept the private sector's proposals at the meeting yesterday. They also signed "agreed minutes" as a record of what they discussed.

Thai and Indonesian private sectors have signed a memorandum of understanding to jointly invest in the growth triangle. The Malaysians need to sort out some problems before joining the move.

Deputy Prime Minister Suphachai Panitchaphak and National Economic and Social Development Board Secretary-General Dr Phisit Phakkasem as well as the Thai private sector were pleased about the outcome of the meeting.

Dr Suphachai said the meeting agreed to endorse the Asian Development Bank's [ADB's] study on the growth triangle, but recommended the bank's study, which will be submitted to the third ministerial meeting, should take into consideration the following issues:

- —The ADB's report should emphasise the competitiveness of this scheme with other projects;
- —it should look at the possibilities of investment from investors outside the region;
- -it should have much more details of energy and power investment
- -its comments should contain more details.

Dr Suphachai said the meeting also adopted the business councils' proposals.

Before the third ministerial meeting begins, the governments are to come up with decisions on the business councils' proposals, if not all of them.

"I can say that the success of the project at this meeting came as a result of sincerity shown by the three countries. In the past we thought about our government first," Dr Suphachai said.

Tun Daim Zainuddin, minister coordinating the project for Malaysia, said he would submit all business council proposals to the Malaysian Government as soon as possible. He thought the Malaysian Government would come up with some decisions on three joint proposals between Thailand and Malaysia.

These proposals are to open the border for 24 hours a day, to reduce from five cents to one cent a kilo the fee Malaysia charges on marine product imports from Thailand, and use of Thai packaging containers to carry Thai marine products.

He said although the Malaysian Government could not open the border between Thailand and Malaysia for 24 hours, it might lengthen the opening time.

Thai investors should join Malaysian investors to produce packaging containers, Mr Zainuddin suggested.

Before reducing the fee on marine product imports, the Malaysian Government would look at the General Agreement on Tariffs and Trade because it was afraid that the change would run counter to the pact. A cut would have to apply to all countries not just Thailand. However, he said the border opening hours and marine product packaging problems would be resolved before the third ministerial meeting. Malaysia would have answers on these issues for Thailand. If the Malaysian Government could not accommodate such proposals, it would have strong reasons.

Malaysia wanted to see tourists from the region require only border passes, not passports, when entering one another's countries.

Mr Hartarto, Indonesia's Coordinating Minister for Industry and Trade, said his Government would consider all proposals to remove trade and tariff barriers for Thai and Malaysian investors. But their removal would be within the framework of the GATT agreement. He said Thais would be the first to invest in Indonesia under the project.

Kasit Phirom, the Thai ambassador to Indonesia, said he would go to Medan to help Thais examine investment in Medan. He will ask the Transport and Communications Ministry and Thai Airways International to consider new flights for investors in the region.

Deputy Foreign Minister Surin Phitsuwan, during his trip to Indonesia on February 6 and 7, will discuss with him ways to help Thais who want to invest in Indonesia.

Mr Kasit said he would look at the investment laws of the two countries, investment locations, promotion and transport. He will discuss investment promotion methods with the Tourism Office, commercial consultants in Indonesia, THAI, and companies already involved in Indonesia such as Charoen Phokphan or Bangkok Bank.

The Thai Embassy will hold an exhibition in Indonesia twice, one in Surabaya and another in Medan. The exhibition in Medan will be in the first half of this year.

Dr Phisit said the second meeting of the project was successful because these countries had the same level of development.

Business Council Submits Proposals

BK2201103194 Bangkok BANGKOK POST in English 22 Jan 94 p 22

[Text] The Indonesia-Malaysia-Thailand [I-M-T] Growth Triangle (IMT-GT) Business Council, formed by private sectors of the three countries, has submitted its proposals to the second ministerial meeting, which yesterday adopted them for further consideration by their governments.

The proposals involve the economic development of northern Sumatera, northern Malaysia and southern Thailand, as well as intensifying private/public-sector cooperation.

The council's meeting was in five workshops where delegates discussed opportunities for business collaboration, as well as issues requiring government attention to help the movement of goods, services, labour and capital into the three development sub-regions. The five workshops were as follows:

- 1. Agriculture;
- 2. Infrastructure
- 3. Tourism
- 4. Trade, Industry and Investment; and
- 5. Human Resource Development.

Government Help

The meeting identified the following issues and constraints relating to government administrative procedures and policies that could affect the efficient conduct of business and required immediate attention.

Trade, Industry and Investment

- —The current practice of 6 A.M.-6 P.M. opening hours of the Malaysia-Thailand border crossing could be restrictive. To help trade between northern peninsular Malaysia and southern Thailand, it was proposed that the opening hours of the border crossing should be extended to 24.
- —Currently, there are only two open customs checkpoints between Malaysia and Thailand. To help free flow of trade between the two countries, it was proposed that all border points be opened. In addition, it was proposed that a single joint customs checkpoint between Malaysia and Thailand be established in place of the existing separate checkpoints on both sides. This would reduce waiting time and customs manpower requirements.
- —To enable free movement of vehicles within the IMT-GT region, it was proposed that a co-vehicle insurance policy scheme be initiated.

- —In the context of setting up new businesses under the IMT-GT collaborations and joint ventures, bureaucratic approval procedures could pose a serious constraints to the business sector. In this regard, it is proposed that these procedures, such as licensing and rules, be simplified and streamlined and that a onestop agency be set up to serve as the reference point and central approving body to facilitate the business community in the IMT-GT.
- —Differences in equity conditions and investment incentives between the three countries need to be reviewed to make the Growth Triangle more attractive to local and foreign investors. It was, therefore, proposed that a special task force be formed among the three private sectors of the IMT-GT to examine these existing conditions.

The meeting hoped that the ministerial meeting would endorse the formation of this task force and that the relevant government agencies of the respective countries would extend the necessary cooperation and assistance to the task force, and ultimately give weight and consideration to the task force recommendations.

Agriculture

- —Currently, the Malaysian Government requires the use of only Malaysian-made plastic crates for transporting marine products. It was proposed to allow the utilisation of plastic crates made by other countries. It was also proposed that Malaysia should reduce the service charge of five cents to one cent per kg to help trade in marine products.
- —The meeting proposed greater liberalisation of rubber trade within the region by eliminating current artificial restrictions.

Infrastructure

—The meeting proposed the immediate reduction of international telephone charges within the IMT-GT region to promote investment, trade and tourism, as well as foster closer relationships between the three countries.

Proposed Projects To Be Implemented under the IMT-GT Project

For immediate action:

- —Request for assistance from the governments of each of the three countries to organise joint tourism promotion.
- —The use of Malaysia-Indonesia-Thailand Tourism Association (MITTA) as a channel for complaints and help tourists and tourism information in the region.
- —Developing and marketing of industrial estates and southern Thailand to promote collaboration between the private sectors of Malaysia and Thailand.
- —Promotion of manufacturing of wooden furniture, especially from rubber wood and rattan, by the three countries.

- —Looking at the possibility of establishing an IMT skills development centre.
- -Develop joint fishing in the three countries.
- —Looking for the possibility of establishing fruit and vegetable common market in border areas.
- -Liberalise rubber trading within the region.
- —The development of a regional television broadcasting station, a land bridge interconnecting system, linking the west coast and east coast of the region and power generation facilities, requires from the government approval in principle and feasibility studies. These projects are to be private-sector-driven.
- —Bandar Aceh-Penang-Thailand natural gas pipeline towards the development of energy resources within the IMT-GT region.
- —Ban Gabang (Yala)-Sik (Kedah) road to improve land transport between the two areas. The distance could be reduced from 141 km to 60 km.
- —Ban Bhuketa (Waeng, Narathiwat) Malay-Thai border bridge to improve land transport between Narathiwat and the three Malaysian states of Kedah, Perlis and Perak (East-West Highway).
- —Satun-Perlis road to improve land transport. The present road link does not allow passage of heavy trucks.
- —An air transport network project to accelerate multilateral aviation arrangement within the region.

For long-term action:

- —To look into the possibility of establishing cooperation and joint investment in electronics and electrical components.
- —Satun-Penang-Medan-Bandar Aceh Sea Link to promote inter-regional trading and encourage tourism.

Conclusion

The Business Council wants to record its support and confidence in the IMT-GT project. It is pleased to make its small initial contribution to the attainment of IMT-GT project objectives by submitting the proceeding report of its inaugural meeting to the official meeting.

The council believes that the proposals, issues and observations can lead to a more conducive environment for the pursuit of the objectives of the IMT-GT. Similarly, projects identified represent infrastructural upgrades, as well as business opportunities, for the private sector.

Piracy Attacks in Southeast Asia Show Decline

BK1801123494 Singapore BUSINESS TIMES (SHIPPING TIMES supplement) in English 17 Jan 94 p 1

[Text] Singapore—Ships sailing through Southeast Asian waters last year enjoyed some respite from marauders. In 1993, the Regional Piracy Centre in Kuala Lumpur received only eight reports of pirate attacks in the region, compared with 73 in the previous year and 107 in 1991. The figures were disclosed in a report released from Kuala Lumpur on Friday.

Piracy seems to be on the decline worldwide. The centre, which was set up in 1992 and is part of the International Maritime Bureau, received 103 reports of piracy incidents last year. By comparison, there were 107 incidents in 1992 and 115 in 1991. Most of the incidents took place in the first half of last year. Between January and June last year, 76 raids on ships took place. From July onwards, the number fell to just 27.

Asia remained the piracy hot spot, with a total of 81 attacks taking place on ships sailing through Asian waters. Another seven robberies occurred on vessels parked at various Indonesian ports.

While attacks in Southeast Asia have abated, more incidents have been reported in the Hong Kong-Luzon-Hainan (HLH) area. Last year, 33 attacks were launched against vessels passing through the HLH triangle.

Another 20 took place in the East China Sea, with a further 12 on vessels sailing through the South China Sea. In its latest update, the centre also disclosed that there were three reported attacks on ships in the first two weeks of this year.

One was an attack on the GYOKO MARU on January 10. Three pirates boarded the vessel while it was in international waters approaching the Singapore Strait at the Philip Channel. The attackers got away with more than U.S.\$6.000 in cash.

Another incident took place in the South China Sea on January 5 when 20 pirates raided the JUI HO. The marauders took over the vessel for two-and-a-half days, before escaping with more than 5,000 cartons of cigarettes. And on January 11, 10 armed men wearing Chinese uniforms tried to board the PEDER MOST. However, they gave up after trying unsuccessfully for half-an-hour.

Japan

Tokyo, U.S. Disagree on DPRK's Joining Group OW2501153194 Tokyo KYODO in English 1455 GMT 25 Jan 94

[Text] Geneva, Jan. 25 KYODO—Japan and the United States appeared at odds Tuesday [25 January] over whether to include North Korea, Iraq and 21 other nations in an expanded conference on disarmament. The United Nations-backed conference opened Tuesday to discuss a total ban on nuclear weapons tests, while suggestions of expanding the 37-member conference to 60 divided the meeting.

John Holum, director of the U.S. Arms Control and Disarmament Agency, said it would be important for an expanded conference to include the nations that are suspected of trying to develop nuclear weapons.

Japanese Government sources, without specifically mentioning North Korea, said Japan cannot agree to allowing into the conference nations with which there are problems with the inspections of nuclear facilities by the International Atomic Energy Agency (IAEA) and problems with executing disarmament related treaties. North Korea has repeatedly denied that it is attempting to develop an atomic bomb, but its refusal to permit IAEA and inter-Korean inspections of its facilities has aroused suspicion about its motives.

While the U.S. was apparently indicating no objection to adding North Korea to the conference, it did indicate that it would be opposed to including Iraq, against which the U.S. led a multinational coalition against [as received] in the 1991 Persian Gulf war.

Officials Comment on Results of Framework Talks

OW2501021994 Tokyo KYODO in English 0208 GMT 25 Jan 94

[By Antonio Kamiya]

[Text] Washington, Jan. 24 KYODO—U.S. and Japanese officials charged with drafting a progress report on framework trade talks completed their first-day meeting Monday [24 January], with both sides clamping a tight lid on the negotiating process. The report, set to spell out the terms of how to "significantly increase" foreign access and sales to key Japanese markets, is due to be completed by the February 11 summit between President Bill Clinton and Prime Minister Morihiro Hosokawa.

"We are still in the midst of negotiations," said a Japanese official who briefed reporters on the day's plenary session between Japanese and U.S. principals in charge of the framework negotiations.

The Japanese spokesman said the two sides agreed not to discuss matters of substance before the current round of

trade talks is over, possibly by Wednesday. "Each side presented a status report, and we exchanged views," the official said.

There were, however, indications that there was no significant breakthrough. "We still have a lot of work to do," Deputy U.S. Treasury Secretary Roger Altman told after emerging from the day's session at the White House conference center.

A U.S. official who gave a separate briefing to Japanese reporters said the day's talks focused on the issue of "objective criteria," the heart of contention between Tokyo and Washington. "There is still a big gap between us here," said the official, who made a point of conducting the briefing in Japanese.

The United States, which runs a 50 billion dollar trade deficit with Japan, has insisted that Japan accept the import levels of other industrial countries as the norm that it must emulate. Japanese officials have rejected the U.S. demand, arguing that setting import targets is anathema to free trade.

U.S. Commerce Secretary Ron Brown said Monday the U.S. will insist on taking "a targeted, results-oriented approach" in seeking trade concessions from Tokyo.

"I think that is going to make a real difference" in U.S. trade ties with Japan, Brown said at a news conference.

The meeting between the high-powered U.S. delegation and Japanese negotiators came a day after U.S. Treasury Secretary Lloyd Bentsen warned Tokyo that Washington may reexamine the basis of trade relations with Japan if no breakthrough is made in the framework trade talks.

Laura Tyson, head of the White House Council of Economic Advisers, was also at the negotiation table Monday.

Tyson told reporters after the meeting that she was taking part in the trade talks as an observer. "This is an area I have given a lot of thought about," said Tyson, who has written a book on trade conflicts in high-technology industries between Japan and the U.S.

The U.S. negotiating team also included Ezra Vogel, a leading Japan expert and a senior official of the Central Intelligence Agency's National Intelligence Council.

The Japanese negotiating team, headed by Deputy Foreign Minister Koichiro Matsuura, included officials from the Foreign Ministry, the Ministry of International Trade and Industry, and the Finance Ministry.

Fujii on 'Need' To Explain Policy at Summit OW2501020994 Tokyo KYODO in English 0159 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Finance Minister Hirohisa Fujii stressed the need Tuesday [25 January] for Japan to explain the economic measures it is taking at the Japan-U.S. summit in Washington on February 11. "It's important for Japan to show its political and economic policies to President (Bill) Clinton in the sense of Japan-U.S. friendship," Fujii told reporters after a morning cabinet meeting. "That includes economic problems," he stressed, indicating that Japan would compile a stimulus package by the time the summit is held. But he noted that a timetable for both the package and budget is "still not decided."

Fujii reiterated that he and U.S. Treasury Secretary Lloyd Bentsen agreed at a meeting Sunday that a recovery of the Japanese economy is "extremely important" especially in view of contributions to world growth [sentence as received]. He said he told Bentsen to "trust us" and leave the details of measures to Japan.

As six ministers responsible for economic affairs, including Fujii, agreed on Monday, he said the government is to focus on reviving the political reform bills rejected by the House of Councillors last Friday, and the enactment of those bills would be the best help now for the economy.

He said his ministry is not considering any measures for the stock market. Tokyo stock prices recovered slightly Tuesday morning after a key market index, the Nikkei stock average, plummeted 954 points Monday, its biggest in two years.

Meanwhile, Fujii rejected Tuesday's comments by Economic Planning Agency Director General Manae Kubota calling for an income tax cut separately from an increase in the consumption tax.

"That's her personal opinion," Fujii said, adding that a decision on the tax issue is being left to a joint economic forum of the government and the coalition parties.

The ministry has been maintaining that the income tax cut and consumption tax hike must be included in the same package of tax reform bills to guarantee repayment of "bridge" bonds issued to cover the period until the tax hike.

Concerning reported plans to stimulate the real estate market and facilitate liquidation of banks' bad loans on which interest has been reduced, Fujii said the ministry is now studying various measures including "securitization" of loans and is in "the final stage" of mapping out its plan.

1993 Noise Level Near Kadena Air Base Improves OW2001144294 Naha NHK Television in Japanese 0322 GMT 20 Jan 94

[Text] The Kadena Town government monitors the noise produced by aircraft takeoffs and landings at Kadena Air Base. It has been learned that the frequency of noise in 1993 was significantly lower than in the previous year.

The Kadena Town government uses a gauge set up on top of the town hall building to monitor the frequency of noise over 70 phons lasting more than 5 seconds. Data from the monitoring effort for 1993 has been compiled recently.

According to the statistics, noise was recorded 19,069 times last year, more than 3,000 times less than the 22,746 times recorded in 1992. Kadena Town's records show that noise was recorded more than 38,000 times at its peak in 1984, and the frequency of noise has been declining since then.

Regarding the improvement in the frequency of noise, the Kadena Town government says that one of the reasons might be the departure of 18 F-15 fighters based in Kadena by December 1992.

Seiyu Nakamura, vice chairman of the plaintiffs' group in the Kadena noise case, where a verdict is expected on 24 February, says: Although the frequency of noise monitored has declined numerically, we do not actually feel any improvement. The adverse effect on our daily life remains the same.

Civic Groups Not To Lodge Appeal in Noise Case OW2301132694 Tokyo KYODO in English 1304 GMT 23 Jan 94

[Text] Tokyo, Jan. 23 KYODO—A coalition of civic groups opposed to high noise levels at U.S. military bases in Japan has decided not to appeal a U.S. federal court's dismissal of its original lawsuit last November, coalition representatives said Sunday [23 January].

The representatives of the NEPA [National Environmental Protection Act] coalition filed suit three years ago with a U.S. court calling for environmental impact studies to be undertaken at the U.S. military facilities at Atsugi and Yokosuka in Kanagawa Prefecture and Iwakuni in Yamaguchi Prefecture.

They had called for the study to be ordered in accordance with the National Environmental Protection Act (NEPA), a U.S. law that requires environmental impact studies on federal projects.

But the U.S. federal district court in Washington ruled last November that the plaintiffs lacked legal standing in seeking remedies from U.S. courts. The ruling followed the U.S. Navy counsel's argument that NEPA does not extend to overseas U.S. military operations.

NEPA coalition representatives said the decision was taken because the chances of an appeals court overturning the November ruling appeared dim.

They said the coalition would continue seeking ways to get the U.S. Navy to reduce noise emitted by planes simulating carrier landings and takeoffs at the airfield.

Tokyo Supports 'Indefinite' Extension of NPT OW2201044094 Tokyo KYODO in English 1312 GMT 21 Jan 94

[Text] New York, Jan. 21 KYODO—Japan supports an indefinite, unconditional extension of the Nuclear Non-proliferation Treaty (NPT) beyond its 1995 expiration since it will promote peaceful use of nuclear power, its ambassador in charge of disarmament said Friday [21 January].

Yoshitomo Tanaka made the remarks in a speech at the U.N. headquaters at a meeting of the preliminary committee preparing for a 1995 international conference to discuss extension of the pact.

As reasons for Japan's support, Tanaka noted the treaty calls for nuclear powers to reduce nuclear arms and promotes the prevention of nuclear proliferation, a major concern in the post-Cold War era.

The NPT, which came into force in 1970, requires nuclear powers to sincerely promote disarmament talks and bans nonnuclear states from producing or possessing nuclear arms.

Japan became party to the NPT in 1975.

The preliminary committee was set up to promote working-level consultations before an international conference in 1995.

So far, 60 countries have expressed support for unlimited extension of the treaty.

But nonaligned nations, mostly Asian and African developing countries, have demanded that revisions be made in the treaty's clauses and that extension be set for a limited period, saying the treaty is discriminatory between nuclear powers and nonnuclear countries.

A majority of support with 162 signatories is needed to extend the treaty.

Russia Declines Offer of Ship for Nuclear Waste OW2101144594 Tokyo KYODO in English 1354 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 Kyodo—Russia has declined a Japanese offer to supply a tanker for temporary storage of its excess nuclear waste, saying the tanker's facilities are inadequate, government sources said Friday [21 January].

Japan made the offer last month in response to a Russian call for assistance so that it would not have to dispose of the waste at sea following protests from Japan over the ocean disposal of 900 tons of liquid nuclear waste in the Sea of Japan in October. The dumping caused an international furor.

At Russo-Japanese talks at the Foreign Ministry in Tokyo on December 21, Russia proposed the use of a tanker.

The Russian side said at the time that it was storing about 1,900 tons of liquid radioactive waste in four vessels and other facilities around Vladivostok, but needed help in finding storage space for an additional 5,000 to 25,000 tons of the waste.

An estimated 5,000 tons of liquid radioactive waste are generated annually in Russia as a result of the dismantling of nuclear-powered submarines.

Japan later offered a Panamanian-registered tanker, but the sources said that after three Russian experts inspected the vessel in Singapore, they concluded it was not properly equipped to store radioactive waste.

Instead, Russia will store the waste in a vessel acquired locally.

The vessel can only store a limited volume of waste and Japanese government officials say they will eventually have to face the prospect of assisting Russia to build on-land storage facilities for the waste.

'Rapid Progress' in Kurils Dispute Not Expected OW2001093494 Tokyo KYODO in English 0912 GMT 20 Jan 94

[Text] Sapporo, Jan. 20 KYODO—Japan should not expect rapid progress in resolving its territorial dispute with Russia considering the unstable internal political situation in that country, a senior Foreign Ministry official said here Thursday [20 January].

"Looking at the relationship between President (Boris) Yeltsin and the Russian Parliament, we cannot expect rapid progress on the northern territories issue," said Issei Nomura, director general of the ministry's European and Oceanian Affairs Bureau, in a speech at a Sapporo Hotel. Nomura was apparently referring to Yeltsin's troubles with anti-reform ultranationalists who won big in last month's parliamentary elections.

The Ultranationalists strongly oppose Japan's demand that Russia transfer to its sovereignty the four islands, which were seized by Soviet Forces at the end of World War II. Japan calls the Islands—Kunashiri, Etorofu, Shikotan and the Habomai group—its northern territories, while Russia refers to them as the South Kurils.

Nomura said that in the absence of an atmosphere conducive to major progress, Japan and Russia should work to improve their relations on the basis of the Tokyo declaration signed during Yeltsin's visit to Japan last October. He said the two countries should also further promote exchanges of visits between Russian residents of the disputed islands and Japanese from Hokkaido, Japan's northernmost main island.

The exchanges, which have taken place over the past two years, are aimed at increasing mutual understanding between the two sides and conditioning Russian residents in advance of a future territorial settlement.

Tokyo, Moscow Plan Talks Over Disputed Islands OW2501101094 Tokyo KYODO in English 0952 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Japan and Russia will hold a third round of working-level talks on a bilateral territorial dispute on February 21 and 22 in Moscow, Foreign Ministry Spokesman Terusuke Terada said Tuesday.

The meeting in Moscow will be the first about the long-standing territorial dispute since Russian President Boris Yeltsin visited Japan last October.

Deputy Foreign Minister Hiroshi Fukuda will attend the meeting, while Vice Foreign Minister Aleksandr Panov will represent Russia, Terada said. Terada declined to comment on the possible agenda for discussions at the two-day meeting, saying the Japanese and Russian Governments are currently working it out through diplomatic channels.

Japan claims four Russian-held islands off northeastern Hokkaido. The former Soviet Union seized Shikotan, Kunashiri, Etorofu and the Habomai Islets at the end of World War II.

Tokyo and Moscow originally scheduled the workinglevel talks for January, but postponed them at Russia's request.

Ex-Im Bank Signs Loan Accord With PRC

OW1801095294 Tokyo KYODO in English 0758 GMT 18 Jan 94

[Text] Tokyo, Jan. 18 Kyodo—The Export-Import [Ex-Im] Bank of Japan said Tuesday [18 January] it signed an agreement to provide up to 40 billion yen in an untied two-step loan to the Bank of China to finance industrial projects. The government-funded bank said the money will be used for projects in Qingdao City, Shandong Province, and Hainan Province through the Chinese bank.

The bank said the loan was first offered by the Japanese Government to China in August, 1988.

PRC Said 2d Largest Trading Partner in 1993

OW2401100194 Tokyo KYODO in English 0926 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—China last year emerged as Japan's second largest trading partner after the United States, the government-backed Japan External Organization (Jetro) reported Monday [24 January].

China was fifth on the 1992 list of Japan's major trading partners.

Japan-China trade in 1993 grew 30.9 percent from the previous year to 37,844 million dollars, renewing an annual record for the third consecutive year, Jetro said.

Japan's trade with the U.S. last year totaled 160.5 billion dollars.

Chinese statistics showed Japan was China's largest trading partner last year, with two-way trade amounting to 39 billion dollars, Jetro said.

Japan's 1993 exports to China surged 44.6 percent from the previous year to 17,281 million dollars, Jetro said. Passenger car exports increased 2.5 times and communications equipment exports, including telephones, doubled.

Japan's imports from China advanced 21.3 percent to 20,563 million dollars. Apparel imports rose 30.0 percent and vegetable imports surged 42.0 percent, due to poor crops in Japan.

Jetro forecast Japan-China trade this year will surpass 40 billion dollars, with imports steadily increasing despite an expected slowdown in exports due to China's import restraints.

Nippon Steel Agrees To Study Project in China OW2401113394 Tokyo KYODO in English 1108 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Nippon Steel Corp. said Monday [24 January] it has agreed to conduct a feasibility study on a 90 million dollar tin-plated steel manufacturing project in Guangzhou, China. The project, which involves two Japanese partners and three Chinese entities, could mark the first steel-manufacturing project in China involving Japanese capital.

The other participants in the project include Mitsui and Co. and Itochu Corp., two of Japan's giant trading houses, the Guangzhou city's Light Industry Bureau and a Special Economic and Technical Zone in the city, Nippon Steel said.

The project calls for producing 120,000 tons of tin plates a year for cans. Nippon Steel said it expects to make a decision on whether to go ahead with the project by this spring.

Funds Donated for Burmese Repatriation

OW2101003594 Tokyo KYODO in English 2341 GMT 20 Jan 94

[Text] Dhaka, Jan. 21 KYODO—The Japanese Government will contribute 3.6 million dollars to the office of the United Nations High Commissioner for Refugees (UNHCR) for its repatriation program for Myanmar [Burma] refugees from Bangladesh, the Japanese embassy in Dhaka said Thursday [20 January].

Japan donated 1 million dollars in 1992 to help the nearly quarter of a million refugees who fled to Bangladesh to avoid ethnic persecution in Myanmar.

The UNHCR is seeking donations totaling 34 million dollars for the repatriation program.

With Wednesday's repatriation of 28 refugees, known as Rohingyas, the total number of those returned voluntarily to Myanmar stood at 52,298.

The Muslim refugees fled to Bangladesh in 1991 and repatriation began in September 1992.

The Bangladesh news agency BSS reported that about 200,000 refugees remain in 20 camps in southeastern Bangladesh, which borders Myanmar.

Norwegian Prime Minister Cancels Tokyo Trip OW2501051694 Tokyo KYODO in English 0403 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Norwegian Prime Minister Gro Brundtland has canceled a visit to Japan to attend a United Nations-sponsored meeting because of illness, UN officials said Tuesday [25 January].

Brundtland was scheduled to participate in the meeting of eminent persons on population and development at the United Nations University in Tokyo. She was also to speak at the opening ceremony of the gathering.

The meeting, to be held in preparation for the international conference on population and development slated for September in Cairo, will discuss sustainable development, family planning and the status of women in relation to population.

Loan Documents Exchanged With Malawi

OW1801122394 Tokyo KYODO in English 0903 GMT 18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—Japan will loan Malawi up to 7.4 billion yen to support the African nation's programs to train entrepreneurs and tackle droughts, the Foreign Ministry said Tuesday [18 January].

Japanese and Malawi Government officials exchanged documents on the loan in the Zambian capital of Lusaka, the ministry said.

The 30-year loan, with a 10-year grace period, carries an annual interest rate of 1 percent. The latest loan brought the total amount of Japanese loans to Malawi to 28.7 billion yen, the ministry said.

The loan will be extended to support Malawi's programs conducted under the guidance of the World Bank, it said.

South African Export Restrictions Lifted

OW2501005794 Tokyo KYODO in English 0027 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—The government decided Tuesday [25 January] to lift all remaining restrictions on exports to South Africa in response to that country's dismantling of apartheid.

The decision eliminates all economic sanctions against South Africa with the exception of a blanket ban on the export of weapons to all countries.

The decision, effective from January 28, will release for export a range of previously restricted products including computers and four-wheel-drive vehicles for use by the South African military and police forces.

The government has already lifted bans on flights between Japan and South Africa and on investment in that country.

A new South African Constitution, drawn up after two years of negotiations, guarantees a formal end to the legalized system of racial discrimination known as apartheid following the nation's first all-race elections on April 27.

NPT Discussed With Indian Delegation in Tokyo

BK1801151294 Delhi All India Radio Network in English 1430 GMT 18 Jan 94

[Text] India and Japan have agreed to work together to bring about a nondiscriminatory Nuclear Nonproliferation Treaty [NPT]. The present treaty expires in 1995. The matter came up for discussion at the second round of bilateral talks on nuclear and disarmament issues between the two countries in Tokyo yesterday. The Indian delegation was led by the joint secretary in the Ministry of External Affairs, Mr. Dilip Lahiri, and the Japanese side by his counterpart, Mr. (Yukio Takiuchi).

Foreign Ministry Official Arrives in Kathmandu OW2001084194 Tokyo KYODO in English 0801 GMT 20 Jan 94

[Text] Kathmandu, Jan. 20 KYODO—Japanese Parliamentary Vice Minister for Foreign Affairs Shozo Azuma arrived in Kathmandu Thursday [20 January] on a two-day official visit to Nepal.

Azuma said on arrival during his trip to the three-countries of South Asia that he will renew Japan's pledge to support the process of democratization and efforts dedicated to economic development through the process in these countries. He is scheduled to meet King Birendra and Prime Minister Girija Prasad Koirala on Thursday.

He will also sign and exchange notes on two development projects to be carried out with Japanese assistance in Nepal.

Azuma's current trip to the region will also take him to Pakistan and India. Earlier he paid visits to five African countries, including South Africa, Mozambique and Namibia, the vice minister said.

Signs Infrastructure Aid Pacts

OW2001120794 Tokyo KYODO in English 1147 GMT 20 Jan 94

[Text] Kathmandu Jan. 20 KYODO—Japan agreed Thursday [20 January] to grant Nepal 1,390,000 dollars to prepare a detailed design for air safety equipment at Kathmandu airport and a bridge linking the capital with the sister city of Patan, the Japanese Embassy said.

Japan's Parliamentary Vice Foreign Minister Syozo Azuma and Dilendra Prasad Badu, Nepal's assistant minister for housing and physical planning, signed two separate agreements for the grants in Kathmandu.

Modernization of the Tribhuvan International Airport, the only international gateway to Nepal, includes installation of radar equipment, improvement of air navigation and an air traffic control system, the embassy said in a statement.

The bridge, to be built over Bagmati River at Thapathali, is expected to greatly reduce traffic congestion between the two densely populated cities, the statement said.

More Reaction to Reform Bills Rejection Noted

'Political Turmoil' Affects Economy

OW2201011894 Tokyo KYODO in English 0051 GMT 22 Jan 94

[Text] Tokyo, Jan. 22 KYODO—A rough ride is expected for the dollar next week as the political turmoil unleashed Friday [21 January] hurts the yen but boosts political pressure for a weak dollar.

Dealers expect stocks and market interest rates to tumble, at least initially, in the wake of Friday's crushing defeat for Prime Minister Morihiro Hosokawa's political reform package.

Fundamentally, that spells trouble for the yen, but with hopes receding for the preoccupied government to craft speedy economic stimulus measures, fundamentals may take a back seat to international politics, dealers said.

That thinking drove the dollar lower in Europe after the reform vote in the House of Councillors, which followed the Tokyo close. It dipped briefly to a one-month low below 110 yen in London, but was bought back afterward on perceptions that it had been oversold and closed at 111.10-20 yen. It later finished in New York at 111.55-65 yen.

In Tokyo, the U.S. currency declined 0.45 yen for the week to 111.30 yen, wavering in a range of less than 1 yen as the market awaited the reform vote.

The U.S. Government has been withholding high-yen pressure to give the young Hosokawa coalition a chance to cut Japan's trade deficit by expanding domestic demand and thus boosting imports, Tokyo dealers say.

With such fiscal hopes on the rocks, they believe, America may pull the monetary lever, talking the yen up to make Japanese imports cheaper in yen terms and putting the heat on Japan's exporters by forcing export prices up in other currency terms.

"We have to pay more attention to the politics from now on," said Takao Sako, head of yen trading at the Union Bank of Switzerland. But the result for the currency market will be "very unpredictable," he said.

With U.S. Treasury Secretary Lloyd Bentsen holding hastily arranged meetings Sunday in Tokyo with Finance Minister Hirohisa Fujii and Hosokawa, players wondered if Washington would play the "high-yen card" before February's bilateral summit.

Adding to the pressure were Friday's report of a record 120 billion dollar 1993 Japanese trade surplus, stalled bilateral trade talks and President Bill Clinton calling Japan one of "our biggest problems" on trade.

Washington "won't allow a weaker yen," said Junichi Kodama, a Chemical Bank vice president and head of corporate foreign exchange sales.

He predicted a test of chart-based technical support in the 109 yen range next week with any rebounds curbed at 111 yen.

The chance for dollar declines is building, but "we just can't predict," said dealer Yuko Fukakusa at Tokai Bank.

Chief dealer Toru Itami at Yasuda Trust and Banking Co. said that after the market's first reaction to sell the dollar, it may recall the apparently steady U.S. recovery as compared with Japan, where the Bank of Japan said Friday that recession continues and "any salient economic recovery is still at a distance."

LDP on Plan To Revive Bills

OW2301102594 Tokyo KYODO in English 0954 GMT 23 Jan 94

[Text] Tokyo, Jan. 23 KYODO—The governing coalition's proposal to revive major parts of a political reform package by convening a 20-member joint parliamentary conference may collapse due to growing criticism from some Liberal Democratic Party lawmakers, LDP officials said Sunday [23 January].

The coalition government of Prime Minister Morihiro Hosokawa has been pleading with the LDP to agree to convene the two-chamber consultative body comprising 10 legislators each from the House of Representatives and the House of Councillors.

In a meeting with reporters, Hosokawa hinted that he would explore the possibility of arriving at a compromise on political reform bills through the proposed joint panel.

The calls for the consultative body became loud after the upper chamber on Friday voted down Hosokawa's package calling for completely redesigning the mechanism for electing members of the powerful lower house.

The directors of the lower chamber's Diet Steering Committee from the ruling and opposition camps are slated to assemble Monday to discuss convening the proposed two-chamber conference, they said.

If they agree to put the proposal to set up the consultative body to a vote, the lower chamber will vote on the proposal Tuesday, coalition officials said.

LDP opponents of Hosokawa's package are urging the LDP leadership not to agree to the establishment of such a consultative body, saying it may open the way for formulation of a compromise package, they said.

If the lower chamber votes to ask the upper chamber to set up the consultative body, the body would immediately start talks for reconciling differences between the coalition's package and the LDP's counterproposals, the officials said.

Unless Hosokawa could secure LDP consent to hammer out the compromise package, he would be forced to observe his oft-repeated vow to "take the responsibility"—an euphemism for disbanding the cabinet or dissolving the lower chamber, they said.

Appearing on a television program, former Foreign Minister Michio Watanabe urged the LDP leadership on Sunday not to agree to work out a compromise package that would replace the current multiseat constituency system for the lower house with any system comprising single-seat districts.

Ruling, Opposition Talks Fail

OW2401145394 Tokyo KYODO in English 1427 GMT 24 Jan 94

[Excerpt] Tokyo, Jan. 24 KYODO—Ruling and opposition parties failed Monday to agree to set up a joint committee of the Diet's two houses in an effort to enact a political reform package that was voted down by the House of Councillors, political sources said.

The parties ended Monday night's meeting of the House of Representatives steering committee in a stalemate, holding over their negotiations to the next committee session beginning at 3 P.M. Tuesday [25 January], they said.

The ruling coalition parties want to hold the joint council to discuss concessions on the government-sponsored reform bills, in a last-ditch effort to enact the legislation.

If two-thirds of a 20-member joint panel agree on a compromise plan, the amended version would then be sent before a plenary session of both houses of the Diet for a vote. The bills would then become law if they are passed by the houses with a majority vote.

If the next steering committee meeting reaches agreement to form the council of 10 members each from both houses, the lower house will then have to vote whether to nold the joint panel.

However, even if the joint committee is held, the ruling and opposition camps are unlikely to agree on a concession plan, and the package is likely to be then taken to the lower house for another vote, they said.

Prime Minister Morihiro Hosokawa, who has said he would step down if he fails to get the package passed, will put the bills to a floor vote again at a lower house plenary session if the joint council ends in failure, coalition officials said. [passage omitted]

Bank Managers 'Concerned'

OW2401105794 Tokyo KYODO in English 1035 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Just as they were seeking the silver lining to Japan's prolonged recession, Bank of Japan branch managers said Monday [24 January] they were hit with a downpour.

In Tokyo for a two-day quarterly meeting, regional central bank leaders said recent stock market gains were just reviving the spirits of corporate managers when Tokyo shares took their worst dive in two and a half years.

"I'm concerned about the impact on corporate sentiment, which had improved a bit recently as the yen stopped its appreciation and stock prices staged a rally in heavy volume," Osaka branch manager Tatsuya Tamura told a news conference.

The benchmark Nikkei stock average plummeted about 950 points, or 5 percent, Monday to 18,353.24 in the wake of Friday's defeat of the political reform bills that Prime Minister Morihiro Hosokawa had staked his government on.

Some areas, such as export-heavy central Japan that watch currency rates more than stock prices, are encouraged that the yen's declines from earlier peaks may improve profits, said Nagoya Branch Manager Eiichiro Kinoshita.

But on the downside, he said, managers in his area have seen demand weaken relative to supply.

Overall, economic recovery will likely take time, Central Bank Governor Yasushi Mieno said in opening the managers' meeting, but he gave no hint of changing his policy stance, repeating that he will watch the effects of past fiscal and monetary actions.

The managers of 33 domestic branches, plus representative offices in New York, London and Hong Kong, opened their two-day meeting with reports that the economy remains mired in a slump with no signs of recovery visible. Their reports, written before the political turmoil was unleashed Friday, said further setbacks are unlikely, as the economy is supported by reviving personal spending in some areas and improving corporate posture.

Osaka Branch Chief Tamura said his region's report may have to be revised, including its suggestion to monitor the effects of past monetary measures.

Mieno, unavailable to spell out his views on the political turmoil, is to meet the press Wednesday to wrap up the meeting.

The Osaka and Nagoya branch managers said in separate press conferences that corporate sentiment was brightening, with Kinoshita saying other managers expressed similar views. But both said the economic picture was a mix of bright and dark spots.

"The chances of the economy falling through the bottom have lessened," Tamura said. "The corporate mind is recovering."

Smaller companies are starting to "take a positive stance independently" instead of nervously waiting for an economic recovery predicted by the government, and companies are making "forward-looking" capital investment in such promising strategic businesses as multimedia, he said.

Mieno noted the importance of business sentiment, citing a drag on recovery from caution among companies and financial institutions, stemming from their stubborn problems in clearing losses incurred during the asset deflation after the collapse of the speculative "bubble" of the late 1980s.

Tamura stressed that "dark factors" have grown, expressing concern that companies are increasingly shifting production overseas, and saying more time is needed for companies to improve their balance sheets through restructuring.

Business conditions remain tough for financial institutions as fund demand stays weak despite low interest rates.

But although economists and business leaders have called for a cut in the Bank of Japan's already record low official discount rate of 1.75 percent a year, Kinoshita said fewer people in his area are now calling for a rate cut, perhaps reflecting the concerns of people on fixed incomes.

Among the problems around Nagoya, "a setback in the supply-demand area stands out," as consumer and capital spending lag. But "the corporate mind is settling down" with a more bearable exchange rate, he said.

A higher yen hurts Japanese exporters by making their products more expensive in foreign-currency terms. The yen, which soared last year to a postwar record 100.40 to the dollar in August, closed Friday at 112.10 to the dollar.

Top Adviser: Hosokawa May Resign

OW2501123894 Tokyo KYODO in English 1228 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—The top adviser to Prime Minister Morihiro Hosokawa said Tuesday that Hosokawa may disband the cabinet and step down from power if political reform cannot be achieved during the current session of the Diet ending Saturday [29 January]. In an interview with KYODO NEWS SERVICE, Shusei Tanaka, special assistant to Hosokawa, said "the prime minister is not the type of person who seeks to cling to a position."

"The prime minister has made it his principle to live up to his promises. His resignation is highly possible," Tanaka said. Tanaka, a House of Representatives member belonging to Sakigake (harbinger), was apparently referring to Hosokawa's promise to "take the responsibility" if he failed to push the political and electoral reform package through the Diet by Saturday's closure. The pledge has been widely interpreted to mean that Hosokawa would resign as prime minister.

In the event of the killing of the reform bills, Hosokawa has the alternative of dissolving the House of Representatives for a snap general election, political sources say.

Soon after assuming the premiership last August, Hosokawa vowed to take the responsibility if he could not achieve political reform by the end of 1993. But because of delays in deliberations in the House of Councillors, Hosokawa extended the deadline to coincide with the end of the current extension of the Diet session. The Diet session was extended once to last through Saturday.

The upper house rejected the package last Friday.

Tanaka said the possibility remains that Hosokawa may opt to dissolve the lower chamber and call a snap general election in lieu of disbanding his cabinet.

Tanaka said, however, "the current economic situation does not allow for dissolution." Many economists and legislators say dissolving the Diet would further put off parliamentary passage of the fiscal 1994 state budget, needed to revive the floundering economy.

SDP Said Firm on Donations Issue

OW2501084894 Tokyo KYODO in English 0819 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Social Democratic Party (SDP) Chairman Tomiichi Murayama said Tuesday his party cannot make concessions on a proposed ban on corporate donations to individual politicians in political reform talks.

"The root cause of corruption is corporate donations," he told a news conference. "I believe it is necessary to limit the flow of corporate and organizational funds to a political party and forbid one to individual lawmakers." The SDP is the largest grouping within the seven-party coalition government of Prime Minister Morihiro Hosokawa. His remarks indicate the SDP cannot accept a call from the main opposition Liberal Democratic Party (LDP) to ease the planned ban on corporate donations to individual legislators.

The coalition and the LDP are likely to begin formal negotiations on possible modifications to government-sponsored political reform bills, which cleared the House of Representatives in November but were rejected by the House of Councillors on Friday [21 January].

The package, aimed at rooting out rampant political graft, features introduction of single-seat constituencies with proportional representation in lower house elections and stricter curbs on campaign funding.

The coalition and the LDP have been far apart on the balance between single-seat districts and proportional representation as well as the ban on corporate and organizational donations to individual politicians.

Murayama also ruled out the possibility that Hosokawa will dissolve the lower house for a snap general election if he fails in his promise to realize reform before the current Diet session ends January 29.

"If the lower house is dissolved amid this serious economic slump, it will create a political vacuum," the SDP chairman said, adding the matter should be taken into consideration at least after the formulation of the national budget for fiscal 1994, starting April 1.

Meanwhile, a group of 19 out of 20 SDP upper house legislators who voted against the government package or abstained from the voting last week said Tuesday they had formed a group intent on leading parliamentary debate to place priority on enacting antigraft provisions rather than on proposals to revamp Japan's electoral system.

The group said they will not send a representative to a 20-member consultative panel comprising legislators from both houses, a panel that may produce a compromise version of the reform package.

Seventeen SDP members voted against the bills and three others abstained from voting at an upper house plenary session Friday.

LDP Members Hold 'Heated Debate'

OW2501135994 Tokyo NHK General Television Network in Japanese 1007 GMT 25 Jan 94

[Announcer-read report over video; from "NHK News 7" program]

[Text] The Liberal Democratic Party [LDP] held its General Council meeting today and decided to agree to convene a joint committee of both houses of the Diet. At this meeting, pro-reform members and those advocating taking a cautious stance on the political reform bills engaged in heated debate for over three hours.

Sozaburo Jimi, one of those taking a cautious stance, said since a joint meeting of both houses is a very exceptional case, matters cannot be left in the hands of the party executives. Toshikatsu Matsuoka, another member taking a cautious stance, said a joint committee of both houses is a form of closed meeting where the public is shut out, and, therefore, it should not be accepted so simply.

On the other hand, Senpachi Oishi, a pro-reformist, said the currently-proposed bills are not perfect, but they must be enacted for the LDP to regain power. Former Deputy Prime Minister Masaharu Gotoda said efforts have been made to bring the current bills as close to the original LDP-proposed bills as possible, so the party should try to maintain its unity and work out a compromise with the coalition parties.

Following the debates, LDP Secretary General Yoshiro Mori said if the political reform bills were to be returned to the lower house for reapproval, the LDP would face the danger of falling apart. He asked for the understanding of party members on the need to agree to convene a joint committee of both houses, provided the coalition parties agree not to return the bills to the lower house for reapproval. The LDP General Council thus agreed to a plan to work out a compromise with the coalition parties.

On convening a joint committee of both houses, Sadatoshi Ozato, chairman of LDP Diet Affairs Committee, at a news conference this evening:

[Begin Ozato recording] Since a thorough and orderly discussion on the bills is to be conducted at a joint committee of both house of the Diet, I believe we can look forward to it in all sincerity, as I have already mentioned, and hope for its success. [end recording]

Former Prime Minister Toshiki Kaifu, Gotoda, and other members who seek enactment of the political reform bills during the current Diet session, have also urged LDP President Yohei Kono to try to work out a compromise that would bring the bills as close to the original LDP-proposed bills as possible at the joint committee of both houses. Kono said he would do his best.

LDP Agrees To Set Up Diet Panel

OW2501055994 Tokyo KYODO in English 0546 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—The main opposition Liberal Democratic Party (LDP) agreed Tuesday [25 January] to set up a joint committee of both houses of the Diet to discuss the fate of the government-proposed political reform bills that were rejected by the House of Councillors last week. The LDP made the decision at a meeting of executives, party officials said. If two-thirds of the 20 joint panel members agree on a compromise plan, the four bills can be enacted into law once they are endorsed by a majority of votes at plenary sessions of both houses.

The seven-party coalition hopes that the package would be enacted during the current Diet session by reaching a compromise with the LDP at the joint committee but the prospect of reaching an accord before the Saturday closure of the Diet is slim, political sources said.

The coalition will be forced to take a floor vote on the package again at a plenary session of the lower chamber, the sources said.

The legislation, which passed through the lower house last November, could become a law when passed a second time by the lower chamber by a majority of two-thirds or more of the members present. However, the coalition will need about 70 defections from the LDP to secure a majority of two-thirds in the lower house and political analysts say such a case is unlikely.

Senior officials from the ruling coalition and the opposition of the lower house steering committee will agree later in the day to set up the committee and the forming of the committee will be formally endorsed at a lower house plenary session on Wednesday, Diet sources said. The committee will hold its first meeting after the two houses elect 10 members each, the sources said.

Prime Minister Morihiro Hosokawa, who has staked his political career on enacting the legislation before the current Diet session ends Saturday, is planning to hold a press conference to call for popular support for enactment of the package, government sources said.

Hosokawa also hopes to hold a top meeting with LDP president Yohei Kono to break the deadlock, the sources said. The Hosokawa government displaced the LDP from power last August for the first time in nearly 40 years, pledging to clean up Japan's scandal-tainted political system.

Foreign Minister Tsutomu Hata hinted at the possibility of dissolution of the lower house for a snap election should the government-proposed political reform bills be scrapped by the Diet. But Chief Cabinet Secretary Masayoshi Takemura and Health and Welfare Minister Keigo Ouchi ruled out such a possibility.

Diet Committee Agrees to Panel

OW2501081394 Tokyo KYODO in English 0743 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Senior officials of the House of Representatives Steering Committee agreed Tuesday [25 January] to set up a joint committee of both houses of the Diet to discuss the fate of the government-proposed political reform bills rejected by the House of Councillors last week, Diet sources said. The lower house will approve the establishment of the panel at a plenary session Wednesday afternoon, the sources said.

The lower house, which approved the bills in November, will select its 10 members from among those who voted for them. The upper chamber will send 10 members from among those who voted against the bills.

If two-thirds of the joint panel members agree on a compromise plan, the package can be written into law once they are endorsed by a majority of votes at plenary sessions of both houses of the Diet.

Earlier in the day the main opposition Liberal Democratic Party (LDP) agreed to set up the panel after a three-hour stormy session of the decision-making Executive Council, party officials said. The LDP is divided over electoral reform bills, the center pillar of the package.

The seven-party coalition hopes that the package will be enacted during the current Diet session by reaching a compromise with the LDP at the joint committee. But the prospect of reaching an accord before Saturday's closure of the Diet is slim, political sources said.

The coalition will be forced to take a floor vote on the package again at a plenary session of the lower chamber, the sources said.

The legislation could become law when passed a second time by the lower chamber by a majority of two-thirds or more of the members present. However, the coalition will need about 70 defections from the LDP to secure a majority of two-thirds in the lower house and political analysts say such a situation is unlikely.

Prime Minister Morihiro Hosokawa, who has staked his political career on enacting the legislation before the current Diet session ends Saturday, is planning to hold a press conference to call for popular support to enact the package, government sources said.

Hosokawa also hopes to hold a top meeting with LDP President Yohei Kono to break the deadlock, the sources said. The Hosokawa government displaced the LDP from power last August for the first time in nearly 40 years, pledging to clean up Japan's scandal- tainted political system.

Foreign Minister Tsutomu Hata hinted at the possibility of dissolving the lower house for a snap election, should the government-proposed political reform bills be scrapped by the Diet.

But Chief Cabinet Secretary Masayoshi Takemura, leader of Sakigake (Harbinger), Health and Welfare Minister Keigo Ouchi, leader of the Democratic Socialist Party and Social Democratic Party Chairman Tomiichi Murayama ruled out such a possibility.

Dissolution of Lower House Hinted

OW2501032294 Tokyo KYODO in English 0302 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Foreign Minister Tsutomu Hata on Tuesday [25 January] hinted at the possibility of dissolution of the House of Representatives for a snap election should the governmentproposed political reform bills be scrapped by the Diet. At a press conference after the day's cabinet meeting, Hata, who is also deputy prime minister, said political reform is a problem for each member of the Diet, and the prime minister can not deal with it by himself.

Hata indicated parliament must shoulder the responsibility if the political reform package fails to be passed.

The ruling coalition parties and the opposition Liberal Democratic Party are continuing negotiations on a compromise after the House of Councillors rejected the bills last Friday. The bills cleared the more powerful lower house in mid-November.

Following the upper house rejection of the bills, Prime Minister Morihiro Hosokawa said he would keep trying to realize his commitment to political reform until Saturday, the last day of the current extraordinary Diet session.

Hosokawa has repeatedly pledged to take responsibility if he fails to enact the reform bills by the end of the Diet.

The pledge is interpreted as indicating his readiness to disband his cabinet or dissolve the lower house to seek a snap election on the issue of political reform should the reform bills be scrapped.

Hiraiwa Opposes Diet Dissolution

OW2401081994 Tokyo KYODO in English 0802 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—An influential business leader cautioned Prime Minister Morihiro Hosokawa Monday [24 January] against dissolving the Diet to call a snap national election, saying the political vacuum would hurt an already sluggish domestic economy.

Gaishi Hiraiwa, chairman of the powerful Federation of Economic Organizations (Keidanren), was referring to options facing Hosokawa in the wake of his failure Friday to push a package of political reform bills through the House of Councillors.

He told a news conference that both the ruling and opposition parties should join forces to realize political reforms "with wide perspectives."

Hiraiwa said the worst choice would be to dissolve the Diet and call a general election because the ensuing political vacuum would damage the economy.

Prolonged political uncertainty will worsen the economic situation further as reflected in the steep fall in the value of the yen and stock prices, he said.

Hiraiwa called on Hosokawa to display leadership in promoting political reforms.

Murayama: No Lower House Dissolution

OW2501133594 Tokyo NHK General Television Network in Japanese 1004 GMT 25 Jan 94

[Announcer-read report over video; from "NHK News 7" program]

[Excerpt] Speaking at a news conference today, Chairman Timiichi Murayama of the ruling Social Democratic Party of Japan [SDPJ] indicated that his party will not comply with any call for amending the part on political funds in a package of political reform bills. Touching on the question of whether Prime Minister Hosokawa will take the responsibility if the package of political reform bills are killed in the Diet during its current session, Chairman Murayama said:

[Begin Murayama recording] It is not desirable to leave Japan with a political vacuum at a time when Japan is mired in a severe recession. The prime minister should first work to compile a budget for fiscal 1994. He should make a decision on the responsibility after the enactment of the budget. I believe the Hosokawa cabinet should fulfill its responsibility to the people. [end recording]

In this way, Chairman Murayama said Prime Minister Hosokawa should not dissolve the House of Representatives and announce the resignation of his cabinet en masse, and the prime minister should make a decision on his responsibility after the budget is enacted in the Diet. [passage omitted on the SDPJ's discussing ways to handle its members who voted against the bills in the lower house].

'Tense Situation' Continues

OW2501124994 Tokyo NHK General Television Network in Japanese 1002 GMT 25 Jan 94

[Announcer-read report; from "NHK News 7" program]

[Excerpt] Ruling and opposition parties, in the final stage of their battle over a package of political reform bills, have agreed to set up a joint committee of both houses of the Diet to hammer out a compromise plan. However, some members of the opposition Liberal Democratic Party and the ruling Social Democratic Party of Japan are increasingly taking the view that reform of the current electoral system should be deferred until later, and it remains unclear whether the joint committee will hammer out the compromise plan. With the current Diet session set to close soon, the tense situation is continuing. [passage omitted on ruling and opposition parties' discussing the makeup of the committee at a lower house steering committee].

Kumagai Comments on Budget Compilation Timing

OW2501033594 Tokyo KYODO in English 0325 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—The compiling of the fiscal 1994 government budget is likely to take place

after the February 11 meeting of Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton, Japan's trade minister said Tuesday [25 January].

Hiroshi Kumagai, minister of international trade and industry, told a regular press conference after the cabinet meeting that it will suffice if blueprints for the scale of the budget for the year starting April and the proposed tax reforms are decided before the Washington meeting.

Kumagai said he hopes traditional bureaucratic procedures to decide the budget will be streamlined compared with how it was under the rule of the Liberal Democratic Party.

With respect to the planned additional pump-priming package, he said the government will make a "political decision" on the scale of a potential tax cut and how to fund it as soon as the Diet closes its current session on Saturday.

Finance Ministry Announces Cut in Lending Rate OW2501040794 Tokyo KYODO in English 0352 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—A cut in the base rate charged on loans by governmental financial institutions was announced by the Finance Ministry on Tuesday [25 January] to take effect Wednesday.

The People's Finance Corp., Japan Finance Corp. for Small Business (IFs) and other governmental financial institutions will cut their rate to 3.65 percent per annum from the current 3.85 percent.

Ministry Moves To Change Women's Overtime Rule

OW2401022994 Tokyo KYODO in English 0222 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Labor Minister Chikara Sakaguchi asked an advisory panel Monday [24 January] to consider the feasibility of changing a labor law to allow women to work more overtime.

He also sought approval from the Women's and Young Workers' Problems Council to add to the equal job opportunity guidelines provisions to urge employers not to discriminate against women in job recruitment and in the workplace.

The ministry hopes to put the measures into effect in April following their expected endorsement by the panel, ministry officials said.

The changes could affect 14 million female office workers, the officials said.

Sakaguchi wants maximum overtime hours for women raised from the current 24 hours per four weeks to 36 hours.

The additions to the guidelines would call on companies to stop allocating a specific share of jobs to men and women in recruitment and to refrain from other practices that discriminate against women workers.

Nissan, Toyota Report 1993 Domestic Auto Sales OW2101051594 Tokyo KYODO in English 0506 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Japan's top two automakers, Toyota Motor Corp. and Nissan Motor Co., said Friday [21 January] their domestic motor vehicle sales and production in 1993 dropped from the previous year for the third consecutive year.

The lackluster performance is attributable largely to the national economic slump, the two automakers said.

Toyota, leader of the industry, said its exports of passenger cars, trucks and buses declined 9.4 percent from the year before to 1,539,005 units.

Domestic sales also dipped 7.4 percent to 2,065,687, the company said.

Toyota said its domestic production slumped 9.4 percent to 3,561,750 but overseas output surged 16.2 percent to 888,559.

"Although exports to Asia and Oceania fared well, total exports were down because of a decrease in exports to North America, Europe and the Middle East," a company statement said.

In December, the company said exports were down 14.3 percent at 113,114 while domestic sales slipped 15.1 percent to 135,636.

Nissan said its exports of passenger cars and commercial vehicles in 1993 plummeted 27.4 percent from the preceding year to 684,088 while domestic sales were down 8.4 percent at 1,098,502.

It was the second straight year that the company's exports had declined from the year before, the company said.

Production overseas climbed 16.5 percent to 1,006,204 but domestic output plunged 14.5 percent to 1,811,591, the third consecutive year-to-year fall, the second-largest automaker said.

"The sluggish economy worldwide and appreciation of the yen against foreign currencies badly affected Nissan's exports," the company said.

In December, the company said exports nose-dived 47.9 percent to 44,463 while domestic sales dropped 12.9 percent to 72,865.

Domestic production dropped 23.9 percent to 117,494 while overseas output fell 11.8 percent to 66,543, it said.

1993 Vehicle Output 'Sharpest Fall' in 19 Years
OW2401074094 Tokyo KYODO in English 0704 GMT
24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Japan's total production of cars, trucks and buses in 1993 showed the sharpest fall since 1974 and was down for the third straight year, reflecting sluggish demand both at home and overseas, an industry association reported Monday [24 January].

It was the first time production had fallen for three straight years since the end of World War II.

The Japan Automobile Manufacturers Association said output totaled 11,227,545 vehicles, down 10.2 percent from the previous year, the second steepest fall in the postwar period following the 24.1 percent decline posted in 1947.

Production of passenger cars fell for the third straight year, dropping 9.4 percent to 8,497,094.

Production of trucks plunged 12.6 percent to 2,682,377, the fifth straight yearly drop, and that of buses fell 7.6 percent to 48,074.

Domestic sales of cars, trucks and buses fell 7.1 percent from the year before to 6,467,278 vehicles, reflecting flagging personal consumption due to the economic slump.

It said 4,199,450 passenger cars were sold, down 5.7 percent from the year before and the third straight year-on-year decline.

Sales of trucks dipped 9.4 percent to 2,248,803, the fifth straight yearly fall, and sales of buses plummeted 11.8 percent to 19,025.

Exports fell for the eighth straight year, plunging about 11.0 percent from the year before to an estimated 5.02 million.

In December, production of cars, trucks and buses vehicles totaled 789,180, down 18.3 percent from the year before and the sharpest fall since June 1974, when production fell 19.3 percent.

It was the 15th straight month in which production had fallen from the year-before levels, the association said.

The figure was lowest for the month since December 1978, when production totaled 753,377 vehicles.

It said 467,457 passenger cars were produced, down 17.3 percent from the year before and the ninth straight year-on-year decline.

Production of trucks fell 21.4 percent to 182,760, extending the yearly fall to the 29th month, while that of buses was down 28.9 percent at 2,780.

The association said domestic sales of cars, trucks and buses in December were down 8.4 percent at 467,457 vehicles, with 312,558 cars being sold, down 5.7 percent.

Sales of trucks slumped 13.3 percent to 153,989, the 15th straight year-on-year fall, and those of buses were down 12.3 percent at 910.

Japan produced 3,023,154 motorcycles in 1993, down 5.4 percent from the year before, the first yearly drop in four years.

Exports posted the fourth straight year-on-year rise, climbing about 3.0 percent to an estimated 1.72 million.

Production in December plunged 16.1 percent to 221,652, the ninth straight yearly fall.

Domestic sales of motorcycles in December totaled 89,140, down 2.3 percent, and exports fell for the fourth straight yearly fall, dropping about 12.0 percent.

Zenchu Approves of President's Resignation OW1901115794 Tokyo KYODO in English 1116 GMT 19 Jan 94

[Text] Tokyo, Jan. 19 KYODO—The Central Union of Agricultural Cooperatives (Zenchu) on Wednesday [19 January] approved the resignation of its President Yoshiharu Sato, union officials said.

The officials of the governing body of farming cooperatives nationwide said Sato's successor will be chosen at its general meeting on March 4. But sources close to the organization said selection of the new president may hit a snag, as the group is split over the government's decision on a partial opening of the nation's rice market under the Uruguay Round of global trade talks sponsored by the General Agreement on Tariffs and Trade.

The organization will hold a meeting on February 16 to select candidates for the presidency, the officials said.

Studies Forming Political Party

OW1901133594 Tokyo KYODO in English 1200 GMT 19 Jan 94

[Text] Tokyo, Jan. 19 KYODO—The Central Union of Agricultural Cooperatives (Zenchu) said Wednesday [19 January] it will study the possibility of forming a political party to restructure the agricultural movement. The organization said the study will be made under a new action program to be adopted at a national congress scheduled for the fall.

Zenchu is concerned that the views of farmers may be neglected in the process of political reforms, and it has become more important than ever to strengthen the unity of farmers and restructure the agricultural movement effectively, Zenchu officials said.

The officials said the union was upset by the failure to prevent the opening of the rice market under the Uruguay Round of trade talks organized by the General Agreement on Tariffs and Trade. They said the union will seek to have the government review a new agricultural policy, including reorganization of the agricultural industry.

The officials said the organization will try to prevent the ratification of the Uruguay Round agreement by the Diet.

The Hitachi-Mitsubishi alliance is the first among Japanese concerns on development of flash memory chips, although some Japanese firms have teamed up with foreign companies on flash memory chips.

Hitachi and Mitsubishi did not disclose how much money they would spend on developing flash memory chips, but industry sources said the two companies are likely to spend at least 50 to 60 billion yen for a 64-megabit chip alone.

Hitachi, Mitsubishi Agree To Develop Chips

OW1901092694 Tokyo KYODO in English 0847 GMT 19 Jan 94

[Text] Tokyo, Jan. 19 KYODO—Hitachi Ltd. and Mitsubishi Electric Corp. said Wednesday [19 January] they have agreed to join forces to develop flash memory chips, tipped as one of the boom semiconductor products of the 1990s. The two Japanese electronics concerns said they will jointly develop a 16-megabit flash memory chip based on Mitsubishi's own technology and a 64-megabit flash memory chip based on Hitachi's own technology.

Hitachi and Mitsubishi said SGS-Thomson Microelectronics, the Franco-Italian concern and Europe's secondlargest chip producer, is considering joining the Hitachi-Mitsubishi alliance.

Mitsubishi now has a business alliance with SGS-Thomson for development of flash memory chips.

Unlike many other memory chips, flash memory chips can retain data even when power is shut off and can be erased and reprogrammed in a "flash" with electric charges.

Flash memory chips are seen as the key to realizing a new generation of portable products ranging from small computers to digital cameras and faxes.

Hitachi and Mitsubishi said their agreement also calls for consolidating their flash memory product lines with a view to taking the lead in setting industry standards as required by users.

Company officials said the deal is aimed at sharing the risks and costs involved in the development of a new chip. "The scale of investment needed to match the growth of the semiconductor business and the rapid pace

of innovation has become too large for any one company to bear in view of the risks and costs involved," said Shoji Hirabayashi, managing director at Mitsubishi Electric.

"This partnership between Hitachi and Mitsubishi in the field of flash memories involves a sharing of resources in the areas of research and development as well as production, and as such is an undertaking of great significance to the future progress and development of each company," said Tsugio Makimoto, executive managing director at Hitachi.

The semiconductor industry so far has provided the market with flash memory chips that use two types of cell structure—nor and nand. Nor-based chips are now the market mainstream and used both by Hitachi and Mitsubishi for their products.

The latest agreement covers new types of flash memory technologies—dinor-type chips developed by Mitsubishi and nand-type ones developed by Hitachi.

The dinor flash memory chip is an advanced version of the existing nor-type chip, providing higher integration and single power-source operation at lower voltage as week as shorter access time. [as received]

The and flash memory chip has a new cell structure that incorporates the features of nand and dor structures, providing higher integration and single power-source operation at lower voltage as well as small block erasability in units of 512 bytes.

Hitachi and Mitsubishi said the dinor and nand chips are expected to become the mainstream technologies for flash memory chips of 16-megabit and largest capacity.

Matsushita Institute Develops Powerful Micromotor

OW2001111094 Tokyo KYODO in English 1031 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—Matsushita Research Institute Tokyo, Inc. announced Thursday [20 January] it has developed a powerful, one-centimeter-long micromotor for use in miniature machines.

The device is 1.4 millimeters in diameter and has a pivot that rotates 100 to 160 times a minute, said officials at the institute, a subsidiary of Matsushita Electric Industrial Co., one of the world's largest electronics manufacturers.

To make the motor, researchers covered a ceramic pivot one millimeter in diameter with resin, fixed 16 electrodes to the resin and enveloped them in a cylinder. Then they dissolved the resin to let the pivot rotate within the cylinder.

They aim to upgrade the motor several years from now to produce as much power as the one currently used for pagers, which is 1.2 centimeters long and six millimeters in diameter, said Takeo Sato of the institute based in Kawasaki, Kanagawa Prefecture.

The motor could be applicable to micro-technology for use in human blood vessels to check or treat diseases, he said.

Mitsubishi, TEP Put Electric Car on Market

OW2501084994 Tokyo KYODO in English 0833 GMT 25 Jan 94

[Text] Tokyo, Jan. 25 KYODO—Mitsubishi Motors Corp. and Tokyo Electric Power [TEP] Co. said they put on sale Tuesday a station wagon-type electric car called "Libero EV," which they have jointly developed. The model is targeted at government offices and major corporations as main users, officials of the companies said.

They said its road performance is among the best of its kind at present, running 165 kilometers at a per-hour speed of a steady 40 kilometers on a single battery charge.

The model will be available at 60 Mitsubishi dealer shops across Japan except for districts with very cold weather and snow such as Hokkaido and the Tohoku region, they said.

The price is ranging from 11,230,000 yen to 11,248,000 yen. The companies aim at annual sales of 50 vehicles, the officials added.

North Korea

Blix Says IAEA Inspection of DPRK 'Paralyzed' BR2401142294 Paris LIBERATION in French 22-23 Jan 94 p 13

[Interview with Hans Blix, director general of the International Atomic Energy Agency, by special correspondent Romain Franklin in Vienna; date not given: "North Korea's Nuclear Program—the IAEA's Headache"—first two paragraphs are LIBERATION introduction]

[Text] International Atomic Energy Agency (IAEA) Official Hans Blix explains why Pyongyang's refusal to let inspectors check its nuclear sites is a major problem.

It has now been a year since North Korea's nuclear ambitions sparked a crisis on January 1993, with Pyongyang refusing to let IAEA inspectors carry out a "special inspection" of two nuclear waste sites. Such an inspection might have provided evidence as to the nature of North Korea's nuclear program; North Korea is thought to be engaged in a program to manufacture nuclear weapons. In March, Pyongyang announced that it was withdrawing from the Nuclear Non-Proliferation Treaty (NPT) which it had signed in 1985, then "suspended" its withdrawal in June, a few hours before it was to become effective. The United States has been trying

since last Summer to convince North Korea's Communist regime to rejoin the NPT and to agree to the IAEA's requirements. North Korea recontacted the IAEA last week; however, the agency said on Thursday that Pyongyang still rejected its requirements. The following is an interview with IAEA Executive Director Hans Blix.

[Franklin] Is North Korea's attitude especially problematic for the IAEA as well as with respect to the more general issue of non-proliferation?

[Blix] I would say that this is the most acute and politically most sensitive non-proliferation issue we have to deal with. The IAEA has been demanding, unsuccessfully so far, that a number of inspections which require additional information and site visits be carried out, and the case has been referred to the Security Council of the United Nations. That the inspection process should be paralyzed in such a manner is quite a serious matter.

[Franklin] The CIA says that North Korea could be in possession of up to 12 kilograms of plutonium, enough to make one or two atom bombs. Is that a fact?

[Blix] We do not know. The North Koreans have declared having extracted minimal amounts of plutonium (from their Yongbyon reactor). However, our inspectors have concluded that the amount declared was not the whole picture. This could be very serious if the amounts involved are substantial. It might be possible to get a better idea of such amounts by checking how long the nuclear fuel has been in place in the reactor—whether it has been in place since the initial start-up or if it has been changed since.

[Franklin] What did you hope would come out of the inspection of the two sites Pyongyang has made off-limits?

[Blix] Evidence or confirmation of plutonium production there; there is no guarantee that we will be able to determine the amount of plutonium produced, however.

[Franklin] If all IAEA requirements are met, will you be in a position to guarantee that North Korea is not working on a military nuclear program?

[Blix] There will always be some uncertainty, all the more since inspecting the Yongbyon plant does not in any way rule out the existence of other (clandestine) facilities.

[Franklin] Is it still possible to hide an underground nuclear facility from all current detection techniques?

[Blix] That must be no easy task.

[Franklin] But it is technically feasible?

[Blix] In Iraq, we looked for an underground plant...and even though we did not find one, we remain cautious. Never, for any country, do we give a 100-percent guarantee that there is no clandestine nuclear program in operation.

[Franklin] Are the cameras installed by the agency on the Yongbyon site still operational?

[Blix] None of them is as their film supply is now exhausted.

[Franklin] Then, is it possible that fissionable materials might have been taken out of the reactor in the mean-time?

[Blix] This cannot be ruled out.

[Franklin] The United States, acting under a UN mandate, is currently arranging an agreement which would make it possible to reinstate the inspection scheme in North Korea. Some people say this agreement is too advantageous for North Korea. What are your basic requirements?

[Blix] We do not intend to carry out any inspection that would not be significant, that is, which would not let us determine whether fissionable materials have been diverted since our previous inspection. The agreement being negotiated would be implemented in two phases, at least. First, we ask to be allowed to carry out the types of inspections we were performing on the seven declared nuclear sites last year. Then we ask for a consultation with the North Koreans on the inspection terms for the two additional [undeclared] sites. Furthermore, such inspections must take place on a regular basis in the future.

[Franklin] Does fissionable material smuggling create a new danger?

[Blix] This is not a very serious problem. We never found any enriched uranium when investigating the cases brought to our attention by the media. As for plutonium, the amounts involved were minimal. Likewise, we never noted a defection by any nuclear scientist from the former USSR's military machine.

[Franklin] What other dangers may arise? Some of your colleagues have referred to the atom bomb as becoming a "poor man's weapon..."

[Blix] More and more developing countries are reaching the technological level needed to separate plutonium or enriched uranium. There is a definite overall risk, and what matters is retaining the political will to curtail it.

PRC UN Delegate Criticizes 'Some Nuclear Powers'

SK2501000594 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 24 Jan 94

[Text] According to reports from the UN Headquarters, a Chinese representative spoke on 21 January at the second session of the preparatory committee for the Nuclear Nonproliferation Treaty [NPT] signatories' meeting to be held in 1995. In his address, he denounced some nuclear powers for lacking sincerity toward peace.

He said that the NPT itself is not the ultimate aim of mankind and insisted that mankind's ultimate aim is complete prohibition [kumji] and abolition [pagoe] of nuclear weapons. He stressed that the nuclear states' refusals to agree to prohibit and abolish nuclear weapons is effecting the permanence of the imbalance in rights and duties that are stipulated in the treaty for nuclear and nonnuclear states and that as a result, it has become impossible to completely guarantee the security demanded by many nonnuclear states.

He asked: If nuclear states—particularly, nuclear powers that have worldwide nuclear attack ability—only emphasize nuclear nonproliferation and absolute safety for themselves and ignore nonnuclear states' justified concerns, how on earth can nonnuclear states be expected to trust the nuclear powers' sincerity toward peace?

He appealed to all nuclear states not to use nuclear weapons first and not to use or threaten to use nuclear weapons against nonnuclear states and nuclear-free zones.

U.S. Think Tank Official Cited on DPRK Policy SK2201051994 Pyongyang KCNA in English 0425 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—William Taylor, vice-director of the U.S. Centre for Strategic and International Studies, said it is crazy to make a military attack on North Korea, stating that diplomacy will have more effect than a war, according to reports.

He said this at a symposium of experts concerning the nuclear issue held in Washington on January 18, the reports said.

U.S., ROK Military Exercises 18, 19 Jan Noted SK2101042494 Pyongyang KCNA in English 0410 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—The U.S. imperialists brought overseas-based fighter-bombers, pursuit-assault planes, VTOL [vertical take-off and landing] assault planes and tanker planes to the air above Wonju, Kunsan, Yongwol and Pyongchang, South Korea, on January 18 and 19 to stage an exercise of quick long-distance flight to the air above the operation area and strike at targets and a bombing exercise for striking the strategic interior of the northern half of Korea, according to military sources.

Meanwhile, the South Korean puppets let formations of helicopters, each composed of three or four, make low and ultra-low flights above Yonchon, Paju and Chorwon on the same days in an exercise for supporting an attack operation of ground units to break through the Military Demarcation Line.

Tensions persist on the Korean peninsula due to the war moves of the U.S. imperialists and the South Korean puppets.

20-21 Jan U.S. 'Air War Exercise' Reported SK2301083794 Pyongyang KCNA in English 0808 GMT 23 Jan 94

[Text] Pyongyang, January 23 (KCNA)—The U.S. imperialists on January 20 and 21 staged a round-the-clock combined air war exercise aimed at a preemptive strike at the northern half of Korea by letting fly formations of overseas-based pursuit assault planes and VTOL assault planes, an "E-3" early warning plane, a "KC-135" tanker and warplanes belonging to the U.S. seventh airforce in South Korea, according to military sources.

Synchronizing with the exercise, they carried out aerial photographing and electronic reconnaissance on the North on January 21 with an "RC-135" strategic reconnaissance plane in the sky above the area adjacent to the Military Demarcation Line.

On the 20th and 21st, electronic reconnaissance on the strategic depths of the North was carried out by "U-2" high-altitude strategic reconnaissance planes and "RV-1" tactical reconnaissance planes and on the 20th an aerial reconnaissance on the North's frontline and coast-line areas was conducted by eight reconnaissance planes of various types including "E-3" and "RC-12".

Such acts of war provocation are a grave challenge to the detente and peace on the Korean peninsula.

Daily Warns South Against Holding 'War Exercises'

SK2001043794 Pyongyang KCNA in English 0415 GMT 20 Jan 94

["They Should Be Held Responsible for the Consequences of War Gamble"—KCNA headline]

[Text] Pyongyang, January 20 (KCNA)—The Kim Yong-sam puppet clique blared that it would stage a large-scale joint war exercise in August together with the United States by integrating "Ulchi" and "Focus Lens" war exercises in case the "Team Spirit" joint manoeuvres were suspended this year. Commenting on this, NODONG SINMUN today brands this as a challenge to the desire of the fellow countrymen for detente and peace and a deliberate move to lay one more stumbling-block in the way of the DPRK-USA talks.

The analyst says:

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The suspension of the "Team Spirit" joint manoeuvres is aimed at removing nuclear threat, not at changing the codename.

If a joint nuclear military drill larger than the "Team Spirit" is staged, the suspension of the "Team Spirit" is meaningless.

The puppets' scheme to stage nuclear war exercises against the North together with foreign forces under changed codename is a mockery of the world opinion.

Not only the "Team Spirit" but all other nuclear war exercises against the North must be discontinued in South Korea. Otherwise, the nuclear issue on the Korean peninsula can not be solved any time nor can detente and peace be achieved.

The North is prepared for both dialogue and war.

The South Korean puppets will be held wholly responsible for the irrevocable consequences arising from their wildcat war exercises and aggravation of tensions.

South's 'Chemical War Preparations' Denounced

SK2301060794 Pyongyang Korean Central Broadcasting Network in Korean 1630 GMT 22 Jan 94

[Unattributed talk: "The Puppets Are Accelerating Chemical War Preparations"]

[Text] Today our people and peaceloving people of the world are strongly demanding complete abolition of chemical weapons, in addition to nuclear weapons mass lethal weapons.

Chemical weapons, which kill and injure people by using poisonous chemical materials, are branded as the most cruel massacre weapons in the world and thus their use and development have been prohibited by international commitments.

Only traitor Kim Yong-sam, who hangs out the signboard of civilian politics, is openly pursuing possession of chemical weapons.

This shows that the Kim Yong-sam puppet clique is going to openly perpetrate not only nuclear war, but also chemical war, against fellow countrymen. We cannot but regard it as very grave. As has already been known, successive ruling bunches have produced and stockpiled chemical weapons from long ago. There are more than 40 underground nuclear warehouses and underground chemical weapon warehouses in areas around Mt. Kyeryong in South Chungchong Province and in the area near Suwon, Kyonggi Province. Many ion chemical weapons, known as malicious mass lethal weapons, are stockpiled there.

While talking about possession of independent chemical warfare capability, former South Korean dictators built more than 10 poisonous gas plants in South Korea and produced a great number of chemical weapons.

The rascals brought from the United States on a large scale military aircraft capable of dropping chemical bombs and 155-mm [word indistinct] guns capable of firing the bombs. They also purchased gas masks on a pretext of preparing for chemical warfare.

A chemical, biological, and radiological unit school has been operating in the puppet Army for a long time to train professional chemical warfare experts. By loudly raving that chemical warfare has become a worldwide trend, the former puppet warmongers exhibited various chemical equipment they produced and even propagandized its superiority.

The Team Spirit joint military exercise, conducted every year in South Korea, has become an important leverage to achieve not only the nuclear war plan, but also the rascals' chemical war plan. New chemical war equipment was mobilized in the recent Team Spirit joint military exercise and units specializing in chemical war training participated in the exercise.

Reporting on the true aspect of chemical war exercises conducted during the Team Spirit joint military exercise several years ago, a South Korean broadcast said that in addition to aircraft attacks on simulated areas in the North side, smoke bombs, chemical shells, bacterial shells, and even explosive shells, were dropped during the exercise. As the result, all living things can barely survive.

Just as former dictators, puppet Kim Yong-sam, who claims to be a civilian politician in South Korea, is also scheming to inflict, not only nuclear disaster, but also poisonous gas calamity on fellow countrymen by clinging to the sleeves of outside forces.

The Kim Yong-sam puppet clique, in a so-called conference of offices and agencies concerned, decided to possess chemical weapons and to submit the bill to National Assembly for ratification.

This clearly shows how frantically the rascals are running amok with chemical war preparations.

Going against the trend of the time toward disarmament and detente, the civilian warmongers are accelerating production of chemical weapons—mass lethal weapons the use of which is prohibited worldwide—and are attempting to inflict the disaster of chemical weapons on fellow countrymen. Their crime will not be pardoned forever.

The puppet traitor Kim Yong-sam should give up criminal chemical war preparations and should act with discretion.

If the Kim Yong-sam puppet clique, in spite of the warnings of our people and the people of the world, is advancing along the road of continuously committing antinational maneuvers to accelerate preparation of nuclear war and chemical war on the Korean peninsula in collusion with outside forces, the rascals cannot avoid the responsibility for all consequences arising therefrom nor can they evade the stern judgment of history.

Daily Accuses South of Seeking Confrontation SK2101050194 Pyongyang KCNA in English 0435 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—NODONG SINMUN today in an article titled "Whither Are They

Leading North-South Relations?" Accuses the South Korean puppets of pursuing North-South confrontation and war against fellow countrymen in conspiracy with outside forces, not national unity and reconciliation, from the beginning of the year.

The author of the article says:

The Kim Yong-sam puppet clique makes provocative remarks from the beginning of the year over the fiction of "nuclear issue of the North" and declares that in case the Team Spirit joint military maneuvers were suspended this year, it would hold large-scale war exercises combining Ulchi and Focus Lens.

Judging from their words and deeds, there is no doubt that they will pursue North-South confrontation and resort to military adventures against the North this year, too.

The traitor Kim Yong-sam opened the rice market of South Korea in order to curry favour with his U.S. master and hurt fellow countrymen. Thus, he fully revealed his treacherous color as a colonial stooge.

The South Korean people have risen up in a struggle to oust despicable Kim Yong-sam, saying there is nothing to expect from the puppet who kowtows to his imperialist master, sells off the country and the nation and tramples down the people's desire for independence, democracy and reunification.

It is evident that the wretched puppet clique forsaken by the people will persistently pursue North-South confrontation and may resort to military adventures, tailing behind outside forces, in an attempt to get rid of the crisis.

The South Korean people will never pardon the Kim Yong-sam puppet clique seeking war against the nation's desire for peaceful reunification.

Kim Il-song Sends Condolences on Mun's Death SK2001045894 Pyongyang KCNA in English 0417 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—The great leader President Kim Il-song Wednesday [19 January] sent a message of condolence to the bereaved family of the late Rev. Mun Ik-hwan, a pro-reunification patriot of South Korea, on his death from a sudden illness.

President Kim Il-song in the message said the death of the reputed pro-reunification patriot who devotedly struggled for the independence and democratisation of South Korean society and for a peaceful reunification of the country was a big loss to our nation.

Though he passed away to our sorrow, not seeing the day of national reunification which he aspired after in his lifetime, the feats performed by him on the patriotic road of reunification will always remain in the hearts of the compatriots at home and abroad, said President Kim Il-song.

Family Receives Kim Il-song Letter

SK2201110094 Pyongyang KCNA in English 1036 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—The message of condolence sent by the great leader President Kim Ilsong upon the death of Rev. Mun Ik-hwan was conveyed to the bereaved family of the deceased.

His message was conveyed to the bereaved family through the funeral committee for Rev. Mun Ik-hwan.

Pomminnyon Asks To Send Mourners to South Funeral

SK2001051294 Pyongyang KCNA in English 0444 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—Paek In-chun, chairman of the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon), sent a telephone message today to the funeral committee of Rev. Mun Ik-hwan.

The message says:

We are inexpressively sad to hear the news that Rev. Mun Ik-hwan suddenly passed away.

Expressing deep condolences over his death, the North side headquarters of Pomminnyon has decided to send a mourners' group to join personages of various strata in the South in paying homage to the deceased and consoling the bereaved family so that we can share painful sorrow with the Southern brothers and sisters.

We inform you that a five-member group led by the chairman of the North side headquarters of Pomminnyon plans to pass through Panmunjom at 8 AM January 22 [2300 GMT 21 January] (Saturday) to attend the funeral of Rev. Mun Ik-hwan and leave Seoul for home in the afternoon.

We have already asked the minister of the "Unification Board" of your side to hold a working contact to discuss the passage through Panmunjom of our mourners' group and the provision of convenience and personal safety during its stay. We hope for your cooperation.

Mourners Denounce ROK Decision on Attendance SK2101231794 Pyongyang KCNA in English 2249 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—The mourners' group of the North side formed to express condolences over the death of Rev. Mun Ik-hwan, a South Korean reputed patriotic champion of reunification, today released a statement denouncing the South Korean

authorities for blocking a working-level contact at Panmunjom and not allowing the group to go to Seoul.

Their act is an insult to the deceased who devotedly struggled for national reunification, the cherished desire of the nation, and a violation of the beautiful manners and customs, etiquette and morality handed down through generations, the statement said, and continued:

Not allowing no more than five people to go to Seoul to mourn the death of Rev. Mun, the South Korean authorities clearly showed once again that the "civilian" regime and the "civilian administration" on their lips are a downright lie.

By preventing their call of condolence over the death of a fellow countryman, the Kim Yong-sam group has left an indelible stain in the history of the nation as the most despicable traitor of the successive South Korean rulers.

The Kim Yong-sam traitorous clique charged the North side with the National Alliance for the Country's Reunification (Pomminnyon) and the "nuclear issue." [sentence as received] It is a poor excuse for preventing a call of condolence from the North side.

Its slander on Pomminnyon, a national umbrella organization of the reunification movement, indicates that the Kim Yong-sam regime is a group of anti-reunification elements and that to charge the North over the fictitious "nuclear issue" proves that they themselves are traitors subservient to foreign forces.

The behavior of blocking under an absurd pretext the call of condolence prompted by compatriotic feelings and etiquette showed that the Kim Yong-sam regime is in a very difficult position in which it cannot receive even five mourners and has but a few days left before it.

The people in the North, together with the fellow countrymen in the South, will certainly settle accounts with the South Korean rulers.

People of all walks of life in South Korea are now lifting up louder voices criticizing the Kim Yong-sam regime for blocking the Seoul visit of our mourners' group. This is a serious warning to the hooligans who know neither etiquette nor morality.

The Kim Yong-sam group hell bent on maintaining its power while desperately pursuing the policy of depending on outside forces, opposed to the national reconciliation and unity and the reunification of the country, the cherished desire of the entire fellow countrymen, will have to pay a high price before the nation.

CPRF Statement Decries ROK Decision on Funeral

SK2201111394 Pyongyang KCNA in English 1041 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland [CPRF] published a statement today, which says:

"The South Korean authorities barred our mourners' group from going to Seoul to mourn the death of Rev. Mun Ik-hwan at his bier. This stripped them bare, revealing their color as hooligans ignorant of the beautiful customs and manners and civility and morality handed down from the ancestors and a group of traitors who are clean indifferent to peace of the country and its reunification. We denounce this with national resentment.

"The South Korean authorities branded the National Alliance for the Country's Reunification (Pomminnyon) as 'an organisation benefiting the enemy' in order to block the attendance of the North side's mourners' group at the funeral of Rev. Mun. This once again disclosed to the whole world that they are an anti-national, anti-reunification group which treats all the fellow countrymen who aspire after reunification as 'enemies'.

"Worse still, they took issue with our offer of mourning visit by linking it with the fictitious 'nuclear issue.' This is a political provocation motivated by a sinister purpose to further aggravate the North-South relations by connecting the humanitarian question with the political and military question in a far-fetched manner."

The statement stresses:

"We will curse through years the treacherous crime of the South Korean rulers in blocking the mourning visit of our side in violation of the elementary human ethic and morality and settle account with them for this. The Kim Yong-sam group which is prolonging its days by dependence on outside forces, treacheries, political swindle and irregulaties will meet its doom before long.

"The South Korean rulers should act discreetly with reason."

Daily Notes Need for 'Peaceful' Reunification

SK2501105294 Pyongyang KCNA in English 1037 GMT 25 Jan 94

["Nation's Common Programme of Reunification"— KCNA headline]

[Text] Pyongyang, January 25 (KCNA)—NODONG SINMUN today in a signed article says that the three principles of independence, peaceful reunification and great unity of the nation is the common programme of the nation for reunification.

The article quotes the great leader Comrade Kim Il-song as saying:

"The principles and line adhered to by our party and the government of our Republic for national reunification remain unchanged. We will continue to make every effort to reunify the country in the form of a confederation based on one nation, one state, two systems and two governments, and on the three principles of independence, peaceful reunification and great national unity."

The article goes on:

As the great leader Comrade Kim Il-song said, the principles of independence, peaceful reunification and great national unity are the three principles consistently maintained by the Workers' Party of Korea in the struggle for national reunification. Because these principles clearly show the way of solving the national reunification question in conformity with the will and interests of the entire Korean people.

The reunification of the country is a cause of putting an end to the domination and interference of outside forces and realizing national independence on a nationwide scale.

The reunification of the country, the cause of independence of the nation, can successfuly be solved only by the efforts of the Korean nation itself. The driving force of the reunification of the country is the Korean nation.

Korea must be reunified by peaceful means. The Korean nation must be reunified into one. But a war must not be chosen for this purpose. It is the biggest tragedy and shame for fellow countrymen to live in antagonism or to fight each other with arms.

The whole nation must share the same will and firmly unite as one in the struggle for national reunification. A bright prospect of national reunification can be opened when the entire people in the North and the South achieve great national unity on the principle of giving priority to the common interests of the nation, transcending the differences in idea, system and religious belief, and of subordinating everything to the cause of national reunification.

Great national unity is the fundamental prerequisite to independent and peaceful reunification and its essential content. Independent and peaceful reunification is unthinkable apart from great national unity.

The harmony and unity of the entire nation is the very reunification of the country that we desire.

The three principles of independence, peaceful reunification and great national unity are a common action program which the North and the South agreed upon and proclaimed to the world jointly, the article stresses.

Further on Visit by Iranian Ministry Delegation

SPA Chairman Meets Iran's Mottaki

SK2401141294 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 Jan 94

[Text] Yang Hyong-sop, chairman of the Supreme People's Assembly, met the Iranian Foreign Ministry delegation led by Vice Foreign Minister Manuchehr Mottaki at the Mansudae Assembly Hall on 24 January when the delegation paid a courtesy call on him. He conversed with the members of the delegation in a friendly atmosphere. The head of the delegation said he hopes the

Korean people will achieve the country's reunification as soon as possible under the wise leadership of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il. He said that the Korean people will attain greater success in socialist construction during the three-year adjustment period.

Foreign Minister Holds Meeting

LD2501110494 Tehran IRNA in English 1024 GMT 25 Jan 94

[Text] Beijing, Jan. 25, IRNA—A senior Iranian Foreign Ministry official, who is currently in Pyongyang, Monday voiced Iran's support for the unification of the two Koreas.

Manuchehr Mottaki, who is deputy foreign minister for legal and consulate affairs, made the remark while discussing Tehran-Pyongyang relations with North Korean Foreign Minister Kim Yong-nam.

Mottaki referred to the chaotic unstable situation in countries neighboring Iran and said Tehran makes efforts for preserving peace and security in Central Asia, Afghanistan and the Persian Gulf.

Referring to the 1988 visit to North Korea of the leader of the Islamic revolution Ayatollah 'Ali Khamene'i, who was then in the capacity of Iran's president, Kim reiterated that the spirit of the joint communique issued then by the two countries still was prevailing over bilateral relations. He stressed that current world developments would not affect bilateral relations between the two countries.

Delegation Leaves Pyongyang

SK2501142094 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 25 Jan 94

[Text] The Iranian Foreign Ministry delegation led by Deputy Foreign Minister Manuchehr Mottaki flew out of Pyongyang on 25 January. The delegation was seen off at the airport by Vice Foreign Minister Cho Kyu-il and the Iranian charge d'affaires to our country.

Kim Il-song Sends Condolences to Syrian Leader SK2301091194 Pyongyang KCNA in English 0852 GMT 23 Jan 94

[Text] Pyongyang, January 23 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on January 23 sent a message of condolences to Syrian President Hafiz al-Asad upon the death of his son.

The message says:

Upon hearing the sad news about the grievous death of your excellency president's beloved son Basil al-Asad in an unexpected accident I express my profound condolences to your excellency and the bereaved families.

Radio Denounces Japan Defense Adviser's Remarks

SK2201025194 Pyongyang Korean Central Broadcasting Network in Korean 1505 GMT 21 Jan 94

[Text] According to a report, Sakuma, an adviser to the Japanese Defense Agency, made bellicose remarks that in the case of an emergency on the Korean peninsula, Japan cannot help but do something for South Korea, and that it must look into coming up with plans on how to cooperate with the U.S. Forces. His grave remarks greatly agitate us and are an open challenge to us that cannot be forgiven. These remarks clearly show the Japanese reactionaries' criminal attempt to invade our country again.

The Japanese right-wing reactionaries have defined us as their first imaginary [kasangjok] enemy by babbling about our non-existent nuclear issue and missile threat. Also, they have made bellicose and absurd remarks by talking about a so-called preemptive attack and saying that Japan would participate in a war on the Korean peninsula.

Warmonger Sakuma, who even served as chairman of the Joint Chiefs of Staff of the Japanese Self-Defense Armed Forces, made the bellicose and violent remarks once again under these circumstances. This clearly shows the seriousness of the Japanese reactionaries' move to seek an opportunity to invade Korea again.

The Japanese reactionaries' such move is of concern to us because Japan wants to act as a shock brigade backed by the United States. This was proven by the fact that Sakuma loudly babbled about cooperating with U.S. forces or providing it with Japanese aid.

While DPRK-U.S. contacts have opened the prospect for basically resolving the nuclear issue on the Korean peninsula, Japan has been looking for an opportunity to attack us with the backing of our partner in dialogue. Where else on earth can we find such indiscriminate remarks and acts?

However, the Japanese reactionaries are miscalculating. They must fully remember that their indiscriminate maneuvers will bring them miserable results. Therefore, they must not act recklessly.

KCNA Denounces Adviser's Remarks

SK2201052194 Pyongyang KCNA in English 0430 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—An advisor to the Japanese Defence Agency, Sakuma, in a recent lecture reportedly let loose a bellicose blast, saying that "Japan cannot sit idle in an event of contingency" on the Korean peninsula and "mode of Japan's cooperation with the U.S. Forces must be examined."

These grave utterances of Sakuma getting on the nerve of the DPRK are an unpardonable, undisguised challenge to it. He fully revealed the criminal scheme of the Japanese reactionaries to stage a comeback to Korea.

Maximizing the fiction of "nuclear issue" and "missile threat" of the DPRK, the Japanese rightwing reactionaries have of late let out a string of bellicose outbursts, threatening a "preemptive attack" and "Japan's participation in a war on the Korean peninsula", having designated the DPRK as "imaginary enemy No.1".

What is grave in this reinvasion scheme of the Japanese reactionaries is that they intend to make Japan a shock force with the backing of the United States in "an event of contingency" on the Korean peninsula. This is evidenced by Sakuma's words about "cooperation with the U.S. Forces" and "Japan's support to the U.S. Forces."

When a prospect has been opened for a fundamental solution of the nuclear issue on the Korean peninsula through DPRK-U.S. contact, Japan is threatening an attack on the DPRK with the backing of its dialogue partner. Can there be such folly in other parts of the world?

The Japanese reactionaries are making a mistake.

They must not act rashly, deeply mindful of the terrible consequences to be entailed by their rash act.

Paper Denounces Japan's 'Belligerent Moves' SK2201104094 Pyongyang KCNA in English 1017 GMT 22 Jan 94

["Japanese Reactionaries' Scheme of Overseas Aggression Must Be Checked: NODONG SINMUN"—KCNA headline]

[Text] Pyongyang, January 22 (KCNA)—The Japanese reactionaries are engaged in aggressive and belligerent moves in order to impose another immeasurable disaster upon mankind. They must not forget the lessons of history. NODONG SINMUN today says this in an article titled "Militarist Monster Bringing Disaster."

Pointing out that the Japanese militarists are making desperate efforts to make up for the defeat that they suffered in the past, the author of the article says:

Japan has potentials of the munitions industry that defy comparison with what it had when invading the continent.

A robber gets a deadly weapon for murder. Likewise, the Japanese reactionaries, carried away by revengeful thought and wild ambition for overseas expansion, are whetting the sword for aggression and war.

The "U.N. peacekeeping operation bill" railroaded through the Diet gave the first green light to Japan's troops dispatch overseas, after the war. In other words, the "Self-Defence Forces [SDF]", which has turned from a tadpole to a frog, has become able to jump out of the boundary of the country and freely strut about in the outside world.

The Japanese reactionaries argue that the "SDF's" operation within the "U.N. commanding sphere" conforms to the constitution and so the involvement in the U.N. peacekeeping operation must be a basic task of the "SDF". This betrays their intention to embark upon full-scale overseas aggression under the name of the United Nations.

Japan committed aggression and war under the pretext of "peace of the East" and "protection of Japanese residents overseas" in the past and now it seeks to repeat it under the pretext of "international contribution" and "rescue of Japanese overseas".

These days the Japanese reactionaries let loose outpourings about "the dispatch of the Self-Defence Forces to the Korean peninsula" and about Japan's "entry into a Korean war". This is illustrative of the realistic danger and gravity of their overseas aggression.

What draws attention in Japan's scheme of overseas aggression is that Japan is now covetous of the whole world, though its ambition was confined to Asia in the past. This is why Japan is scheming to send its Armed Forces to different parts of the world including Asia and Africa for military actions. For this very purpose Japan is trying its hardest to get a permanent seat of the United Nations Security Council.

Today Japan's nuclear armament has reached the practical stage. If Japan which imposed immeasurable damages on mankind arms itself even with nuclear weapons, the consequences will be unpredictable.

Misfortunes must be checked in advance.

Japan's Stepped Up 'War Preparations' Denounced

SK2001113894 Pyongyang KCNA in English 1031 GMT 20 Jan 94

["NODONG SINMUN Slams Japan's Scheme To Malrevise Constitution for Overseas Aggression"—KCNA headline]

[Text] Pyongyang, January 20 (KCNA)—The discussion in the Japanese ruling quarters about the revision of the constitution in favor of the armed action overseas by Japanese troops is a dangerous move to clear the way for military intervention and war of aggression against other countries, charges NODONG SINMUN today.

Noting that Japan has stepped up its conversion into a military power and its nuclear armament and opened a road of troop dispatch overseas for aggression and war, the paper brands this as a violation of the constitution.

The author of the article says:

The current constitution of Japan declares that Japan shall renounce threat with and use of arms and shall not possess war potentials of the ground, naval and air forces. The successive governments of Japan, in violation of the constitution, organised ground, naval and air forces, the fire-power of which is now scores of times that of the "imperial army" before World War II, and have stepped up arms buildup and war preparations, increasing military spendings extensively.

Opening a road for Japanese troop dispatch overseas means that the Japanese ruling quarters took the first step toward overseas aggression.

The Japanese ruling quarters have so far put up the constitution in order to use it in making Japan appear a "peaceful state" abroad and giving the Japanese people a psychological assurance that Japan would not pursue war.

Calling for constitutional revision as an immediate task, they argue that the constitution should allow the use of arms overseas by the "self-defence forces" because if Japan does not participate in military operations of the United Nations, it may invite world criticism. They also argue that constitutional revision is necessary for Japan to become a permanent member of the UN Security Council. As seen above, the main purpose of their frenzied move to malrevise the constitution is to remove all elements obstructive to war, win freedom of military action and create conditions for their military intervention and war of aggression in any part of the world.

Malrevision of the constitution will only bring disaster to the Japanese people. To check Japan's conversion into a military power and overseas aggression is an important task for peace in Asia and the world.

Japan's 'Anti-DPRK Smear Campaign' Decried SK2001114394 Pyongyang KCNA in English 1039 GMT 20 Jan 94

["Disinformation of Reality"—KCNA headline]

[Text] Pyongyang, January 20 (KCNA)—Some paid media of Japan including the YOMIURI SHIMBUN recently released false reports that the DPRK is developing the Najin-Sonbong Free Economic and Trade Zone in order to overcome "economic difficulty" and "food shortage." This is a despicable anti-DPRK smear campaign, which grossly distorts the might of the socialist economy of the DPRK making a long drive, unaffected by the international economic fluctuation, and the reality of Korean society where all people live a worthwhile and happy life.

As far as the development of the Najin-Sonbong Free Economic and Trade Zone is concerned, it is a project promoted under the external economic policy of the DPRK. The DPRK Government has consistently maintained the line of building an independent national economy by enlisting internal potential and resources to

the maximum under the banner of self-reliance, while establishing economic relations with other countries and developing foreign trade on the principles of complete equality and mutual benefit.

The project is promoted also in close relation with the Tumen River Area international cooperation and development sponsored by the United Nations Development Programme. This shows an aspect of the external economic development of the DPRK.

The Japanese reactionaries, however, describe it as "an open-door policy to overcome economic difficulty." This is a vicious slander against the DPRK.

Their anti-DPRK smear campaign is a graphic expression of their perplexity in face of the invincible vitality of the socialist system of the DPRK that satisfies the needs of the people for food, clothing and housing.

The Japanese reactionaries must drop the false propaganda against the DPRK, mindful that if they continuously resort to the anti-DPRK smear campaign, they will get nothing good.

Japan Warned on Obligation to 'Comfort Women' SK2301091294 Pyongyang KCNA in English 0851 GMT 23 Jan 94

["Mockery of Human Conscience"—KCNA headline]

[Text] Pyongyang, January 23 (KCNA)—The Japanese Government is trying to avoid a probe into the truth of the criminal case concerning "comfort women for the Army" and shirk the obligation to compensate for it, claiming that it could not decide how to deal with the issue mainly because it was difficult to confirm that those who declared themselves former "comfort women" were true ones or not.

This shows that the Japanese authorities have no elementary conscience and morality and that they are trying to evade the blame for the crime, stresses NODONG SINMUN today.

The news analyst says:

The issue of "comfort women for the Army" is a criminal case against humanity, in which the Japanese imperialists in the past drafted more than 200,000 Asian and European women, mostly Koreans, as sex slaves for the Japanese Army by invoking state power and vpolated and killed them.

The Japanese Government, far from apologizing and compensating for the shocking crime of human rights violations without precedent in history, denies the issue itself. Unable to repress resentment at its shameless behavior, many former "comfort women" testified to the criminal case.

The Japanese authorities, however, doubt if they are really former "comfort women" far from feeling remorse

of conscience at the heartrending testimonies of those who made a narrow escape from death.

Anyone, if he is not an insensible person, will not ourn a deaf ear to the touching appeal of the surviving "comfort women".

The Japanese authorities, the offender, do not admit the crimes at which the world is resentful, because they do not honestly reflect on the seriousness of the crime and do not want to part with the crime-woven past.

If Japan thinks it can gloss over the past crimes without atonement, it is a mistake.

The Japanese authorities must frankly admit the pash crimes, clarify the truth and sincerely apologize and compensate for them.

Tokyo Korean Group Decries South's War Games SK2301090994 Pyongyang KCNA in English 0824 GMT 23 Jan 94

[Text] Tokyo, January 21 (KNS-KCNA)—The Chairman of the Association of Koreans in Japan for Peaceful Reunification, Kim Chong-su, said in a press statement January 20 that the plot of new large-scale war exercises against the North framed by the Kim Yong-sam puppet regime and the puppet Army brasshats from the beginning of the new year revealed the intention of the South Korean authorities to continue along the road of confrontation and war contrary to the nation's desire this year, too, not seeking national reconciliation and unity.

Recalling the declaration of the South Korean authorities that they would stage massive joint military exercises under a changed codename, instead of the "Team Spirit," he said: "This is aimed at putting a spoke in the wheel of the DPRK-U.S. talks and laying a new high hurdle in the solution of the nuclear issue. If they stage the war game, the suspension of the 'Team Spirit' nuclear war exercises will practically be meaningless and a more dangerous situation will be created in Korea."

"The South Korean authorities must clearly know that if they continue to pursue confrontation and war, turning their back on the compatriots desirous of reconciliation and unity, detente and peace, they will face a stern judgment by the nation, sooner or later," he warned.

Chongnyon Officials Deliver New Year Lectures SK2101105894 Pyongyang KCNA in English 1009 GMT 21 Jan 94

[Text] Tokyo, January 19 (KNS-KCNA)—New Year lectures have been given in different parts of Japan by the General Association of Korean Residents in Japan (Chongnyon).

The first vice-chairman of the Chongnyon Central Standing Committee, Yi Chin-kyu, gave a lecture on the

subject "on the current situation surrounding Korea and patriotic work of Chongnyon" in Saitama Prefecture on January 16.

He said the Democratic People's Republic of Korea won the most acute confrontation with the international reactionaries last year under the wise guidance of the dear leader Comrade Kim Chong-il.

Noting that this would be a historical year of turn, he called on Koreans in Japan to participate in the patriotic work of Chongnyon with firm confidence and make this year a year of a new advance in the history of the movement of Japan-resident Koreans.

Kim Chong-il Works Study Society Opens in Tokyo

SK2101042594 Pyongyang KCNA in English 0407 GMT 21 Jan 94

[Text] Tokyo, January 19 (KNS-KCNA)—The inaugural meeting of the "Red Flower Group", the society for the study of Kim Chong-il's works, was held in Tokyo on January 16.

After a report, the rules and action program of the group were released at the meeting.

Masaru Yamauchi was elected its chairman and Toshikatsu Uechi its secretary.

Kim Il-song Receives Letter From UN Chief

SK2101110494 Pyongyang KCNA in English 1033 GMT 21 Jan 94

[Text] Pyongyan, January 21 (KCNA)—The great leader President Kim Il-song received a letter from UN Secretary General Butrus Butrus Ghali who visited the DPRK in December last year.

The secretary general said in his letter: The meeting with you, and the luncheon that you hosted afterwards were the highlight of my stay in Pyongyang. It was useful to review matters of mutual concern, including your proposals for the reunification of Korea and, more generally, the need for peace, security and development on the Korean peninsula. I fully share your view that the armistice agreement, which is nearly forty years old, must be replaced by a permanent peace treaty.

One of my objectives in visiting the Korean peninsula was to help, if at all possible, in defusing the tension, he noted, and said: I wish to reiterate my thanks for an excellent visit, which has helped to strengthen relations between the Democratic People's Republic of Korea and the United Nations.

Foreign Party Leaders Greet Kim Il-song SK2101045494 Pyongyang KCNA in English 0416 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)-Messages of greetings came to the great leader President Kim Il-song from foreign party leaders on the New Year.

The messages came from Chairman of the Supreme Board of the Social-Democracy of the Polish Republic Alexander Kwasniewski; General Secretary of the C.C. [Central Committee], the Socialist Party of Ecuador Victor Granda Aguilar; Chairman of the C.C, the Brazilian Communist Party Joao Amazonas; First Secretary of the C.C., the Russian Communist Workers' Party V. Tulkin; chairman of the C.C., the Nepal Communist Party (United Marxism-Leninism) Man Mohan Adhikari; First Secretary of the C.C., Ukrainian Communist Party Pyotr Simonenko; acting leader of the February 18 Movement of Trinidad and Tobago Vincent Cabrea; leader of the People's Pressure Movement of Barbados Eric Sealy; and General Secretary of the C.C., the Communist Party of Honduras Rigoberto Padilla Ruz.

The messages wish President Kim Il-song great achievements this year in his noble work for socialist construction and national reunification.

Foreign Leaders Greet Kim Chong-il on New Year SK2201050994 Pyongyang KCNA in English 0417 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—Messages of greetings came to the dear leader Comrade Kim Chong-il from foreign party leaders on the New Year 1994.

The messages came from general secretary of the Central Executive Committee of the Social-Democracy of the Polish Republic Jerzy Szmajdzinski, national chairman of the Lumumba Congolese National Movement-Original of Zaire Lambert Mende Omalanga, national chairman of the Gambian People's Progressive Party I.B.A. Kelepha Samba, general secretary of the Egyptian National Democratic Party Youssef Amin Wali, chairman of the C.C. [Central Committee], the Burundi Party of Unity for National Progress Nicolas Mayugi, general secretary of the Party for Unity and Progress of Guinea El Hadj Boubacar Diallo, chairman of the C.C., the Communist Party of Denmark (Marxist-Leninist) Klaus Riis, general secretary of the C.C., the New Communist Party of Great Britain Eric Trevett, general secretary of the C.C., the Nepal Communist Party (United Marxism- Leninism) Madhav Kumar Nepal, president of the Pakistan Socialist Party C.R. Aslam, chairman of the Workers' Party of Turkey Dogu Ferincek and chairman of the C.C., the Belgian Labour Party Ludo Martens.

The messages wish the Korean people achievements this year in the revolution and construction and in the struggle for national reunification under the wise guidance of Comrade Kim Chong-il.

Foreign Leaders Said To Support Reunification SK2201050894 Pyongyang KCNA in English 0422

GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—Party and state leaders of different countries expressed support to the Korean people's cause of national reunification when they received the DPRK ambassadors to their countries.

Indian President Shankar Dayal Sharma said the Indian people support the proposal for reunifying the country by confederacy formula without the interference of outside forces which was put forward by the Democratic People's Republic of Korea, and the struggle of the Korean people to achieve a peaceful reunification of the country.

The Indian people, he noted, pay deep attention to the great achievements made by the Korean people in all domains of social life including the economy, and to the development of the situation on the Korean peninsula.

Abdoulaye Sekou Sow, prime minister of the government of the Republic of Mali, expressed support and solidarity for the Korean people in their struggle to realize the proposal for reunification by confederacy formula reiterated by respected President Kim Il-song in his New Year address, saying it is the only just proposal conforming to the reality of Korea.

The nuclear issue on the Korean peninsula must be resolved only through DPRK-U.S. negotiations, he noted.

The general secretary of the Independent Liberal Party of Nicaragua, Virgilio Godoy, fully supported the policy for reunifying the country in the form of confederation on the three principles of independence, peaceful reunification and great national unity, stating it is a most realistic and fair policy.

Mozambican President Praises Kimilsongia Flowers

SK2201051094 Pyongyang KCNA in English 0424 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—Mozambican President Joaquim Alberto Chissano, when he received the Korean ambassador to his country on January 15, told him about the undying flowers Kimilsongia and Kimchongilia.

He said Kimilsongia and Kimchongilia are very beautiful. Recalling that botanists of Indonesia and Japan bred these flowers and presented them to the great leader comrade President Kim Il-song and dear Comrade Kim Chong-il, he said: "This fully shows how deep the respect and reverence of the world people for them are. We hope that these wonderful and beautiful flowers will be in full bloom in all places and give the world people strength, courage and joy."

Foreign Minister Greets Zambian Counterpart

SK2001114194 Pyongyang KCNA in English 1034 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Remmy K.K.G. Mushota on his appointment as foreign minister of the Republic of Zambia.

Expressing the belief that the friendly and cooperative relations between the two countries would develop more favorably, the message wholeheartedly wished him great success in his responsible work.

Defense Minister Sends Message to Lao Counterpart

SK2001114094 Pyongyang KCNA in English 1032 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—Marshal O Chin-u, minister of people's armed forces, sent a message of greetings to Laotian National Defence Minister Choummali Sai-ngason on the occasion of the 45th anniversary of the founding of the Laotian People's Army.

Noting with joy that the friendly and cooperative relations between the peoples and armies of the two countries continue making favorable development, the message wished the latter great success in his responsible work.

WPK Delegation Meets Italian Party Leader

SK2301005794 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 21 Jan 94

[Text] (Roberto Cabrulli), general secretary of the Italian Movement for Peace and Socialism, received a delegation of the Workers' Party of Korea [WPK] led by Pak Kyong-son, director of a department of the WPK Central Committee on 18 January. At the meeting, the head of the delegation conveyed greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to General Secretary (Roberto Cabrulli). Expressing deep gratitude, the general secretary asked the head of the delegation to convey his warmhearted greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. He said that the DPRK's success in socialist construction gives great encouragement to his movement. He pointed out that he is pleased at the Korean people's great advance in struggle for national reunification under the wise leadership of the WPK.

Workers Party Sends Message to Italian Communists

SK2301084294 Pyongyang KCNA in English 0817 GMT 23 Jan 94

[Text] Pyongyang, January 23 (KCNA)—The Central Committee of the Workers' Party of Korea Thursday sent a message of greetings to the National Congress of the Italian Party for Communist Refoundation.

It expressed the belief that the congress would make a significant occasion in the activities of the Italian Party for Communist Refoundation to strengthen the cohesion and unity of the party, safeguard the interests of working masses including the working class and defend peace and security of the world and wished big success to the congress.

SPA Chairman Greets Nicaraguan Counterpart

SK2301083994 Pyongyang KCNA in English 0809 GMT 23 Jan 94

[Text] Pyongyang, January 23 (KCNA)—The Chairman of the Supreme People's Assembly [SPA], Yang Hyongsop, sent a message of greetings to Luis Humberto Gusman upon his election as chairman of the National Assembly of Nicaragua.

Expressing the conviction that the friendly and cooperative relations between the parliaments of the two countries would develop more favorably in the future in conformity with the interests and desire of the two peoples, the message wished him greater success in his responsible work.

Papers Mark Anniversary of Ties With Libya

SK2301121094 Pyongyang KCNA in English 1028 GMT 23 Jan 94

[Text] Pyongyang, January 23 (KCNA)—Papers here today dedicate articles to the 20th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the great Socialist People's Libyan Arab Jamahiriya.

The establishment of diplomatic ties between Korea and Libya reflected the common aspirations and desire of the two peoples for the building of a new society, NODONG SINMUN in a signed article says, and goes on:

After the opening of diplomatic relations the two peoples have hastened the building of a new society supporting and closely cooperating with each other under the banner of independence against imperialism.

The Libyan people are today building a new society at an accelerated pace under the guidance of Mu'ammar al-Qadhdhafi, leader of the Great September First Revolution.

The courageous Libyan people are advancing along the road chosen by them, not yielding to the pressure of the imperialists.

The Korean people rejoice as over their own over the achievements gained by the Libyan people in their efforts for the building of a new society, and support their work for a peaceful and fair solution to the case of airliner explosion in 1988.

The Korean people will, in the future, too, make active efforts to upgrade the friendly relations with the Libyan people.

MINJU CHOSON in a by-lined article says the Korean people wish the Libyan people greater success in their efforts to build a new society.

Kim Chong-il Sends Thanks to Exemplary Soldiers

SK2101110394 Pyongyang KCNA in English 1024 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army, sent thanks to the soldiers of the Ho Yong-chol and Chong Chang-ho hospitals and the Mun Pyo-chin unit of the Korean People's Army and the Kim Hae-yong unit of the Korean people's security forces who set examples in bringing the traditional traits of army-people unity into full play.

The soldiers of the above-said units set examples in protecting the lives and property of the people and rendering help in socialist construction.

The speakers at the meetings held to convey the thanks stressed that the blood-relationship between the Army and the people is a proud trait of the Korean revolutionary ranks.

They hardened their determination to bring the traditional traits of Army-people unity into fuller play and make a positive contribution to the implementation of the revolutionary economic strategy of the Workers' Party of Korea, so as to defend and exalt the Korean socialism centering on the popular masses.

Dancer Once Sponsored by Kim Chong-il Lauded SK2001001494 Pyongyang KCNA in English 2209 GMT 19 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Pak E-ra, 47, is a talented dancer widely known to the dancing world and to the theatre-goers at home and abroad.

All her subtle and powerful movements remind people of a dancing girl in her twenties.

Each time they see her dancing beautiful dances with a bright smile of happiness on fascinating stages, people are caught up in a flood of thought. It is because she is the prototype of Kum-hui, a heroine of the feature film "The Fate of Kum-hui and Un-hui", which deals with the fate of twin sisters living separated, one in the North and the other in the South of Korea.

Born in South Korea where people were struggling for existence day in, day out, she was abandoned by her mother who was eking out her livelihood by dancing at cabarets.

The poor child was embraced in the bosom of the DPRK during the fatherland liberation war and has since led a happy life under the utmost care and guidance of the dear leader Comrade Kim Chong-il.

She loved dancing from her childhood. When she was a pupil of the Manwol Primary School in Kaesong, she appeared on the stage of national school children's art festivals several times to catch the fancy of experts.

Seeing her rare talent, Comrade Kim Chong-il saw to it that she was trained at the Pyongyang University of Music and Dance for ten odd years till she became a full-fledged dancer.

Later, she created many successful dance pieces at such leading art troupes as the Pibada Opera Troupe, the Mansudae Art Troupe and the Korean People's Army Song and Dance Ensemble.

Comrade Kim Chong-il appreciated her performances on dozens of occasions and assigned her to the title roles of masterpieces and guided her with a kind hand, saying that she left good impressions and her movements were graceful and exquisite, yet lively.

She performed the solo dances "youth," "shellfish dance" and "fan dance," showing her vibrant and elegant rhythmic movements and played the title role in "azalea of the homeland," one of the four masterpieces, "spring of the secret camp" and "the bosom of the mother party" and many other women's group dances.

She performed many dances in operas including the revolutionary operas "sea of blood," the flower girl" and "a true daughter of the party".

In this course she became a well-known popular dancer and people's actress.

She, a dancing instructor of the Korean People's Song and Dance Ensemble, is devoting her wisdom and energy to the creation of dance works.

Agricultural Workers Union Holds Plenary Session

SK2201012094 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 20 Jan 94

[Text] The 22nd plenary session of the Central Committee of the Union of Agricultural Working People [UAWP] was held in Pyongyang on 19-20 January. The plenary session was attended by members and candidate members of the UAWP Central Committee and chairmen of the provincial and city UAWP committees.

The plenary session discussed problems of thoroughly implementing the task elucidated by the great leader Comrade Kim Il-song in this year's New Year address and the decision of the 21st plenary session of the Sixth Party Central Committee and the problem of thoroughly implementing the dear leader Comrade Kim Chong-il's recent remarks.

Discussions were held after Choe Song-suk, chairman of the UAWP Central Committee, gave a report on the first agenda item.

The reporter and participants in the discussions said that the tasks elucidated by the great leader Comrade Kim Il-song in his New Year address of this year and at the 21st plenary session of the Sixth party Central Committee are a programmatic guideline which brilliantly illuminate the road ahead for our people accelerating the general advance of socialism of our own style and a militant banner which actively inspires the entire nation towards the accomplishment of the sacred cause of national reunification and vigorously encourages it towards the consummation of the chuche revolutionary cause.

Noting that under the wise leadership of the great leader and our party, the UAWP outstandingly performed the honorable mission and duty as the reliable supporter of the party and as the thorough defender and implementer of the party's policies during the period of the Third Seven-Year Plan, the reporter and participants in the discussions referred to the successes attained in the course of vigorously carrying out the three revolutions of ideology, technology, and culture in rural areas.

They stressed that the UAWP today faces the honorable task of contributing to safeguarding and defending socialism of our own style and to further enhancing its superiority by thoroughly implementing the party's revolutionary economic strategy.

The reporter and participants in the discussions said UAWP organizations at all levels should set the next three years as an adjustment period for socialist economic construction and actively wage a struggle to thoroughly implement the party's agriculture-first, light industry-first, and trade-first policy in this period.

Saying that all UAWP members should, above all, be brought up as genuine loyalists and devoted children who bear absolute adoration and loyalty toward the great leader and the dear comrade leader, they presented concrete measures for effectively carrying out the ideological indoctrinations concerning the chuche idea theory, the greatness of the party and the leader, faithfulness, and revolutionary tradition in various forms and methods.

The great leader Comrade Kim Il-song has taught: This year is a significant year marking the 30th anniversary of the release of the socialist rural theses. We should wage a

vigorous struggle to complete the historic task of the rural theses and mark a new turning point in rural economic development.

Noting that this year is a significant year marking the 30th anniversary of the release of the socialist rural theses, the reporter and participants in the discussions said UAWP organizations should actively organize and mobilize all union members to the struggle to complete the historic task of the rural theses and to implement the party's agriculture first policy.

They said the functions and roles of union organizations at all levels will be further enhanced so as to contribute to increasing grain production by consolidating the results of irrigation and electrification, achieving mechanization and scientification on a higher level, and implementing chuche-based farming method in rural areas.

They stressed that, to this end, UAWP members and agricultural workers will actively carry out political propaganda and economic agitation [sontong] and strengthen various mass movements, including the socialist competition movement, so as to highly demonstrate the revolutionary spirit of self-reliance and fortitude with the same spirit and vigor displayed in the postwar socialist rural construction.

In the plenary session, a report was given and discussions were held on the second agenda item.

Mentioning the tasks recently given by the dear leader Comrade Kim Chong-il for the working people's groups and organizations to carry out human reform works well, the reporter and participants said in the discussions that UAWP functionaries should ceaselessly expand the ranks of pioneers with laudable communist virtue in rural areas by being deeply involved with UAWP members, actively support, encourage, and develop positive deeds discovered among them, and widely introduce and publicize deeds.

They stressed that UAWP works should thoroughly become the works that will be implemented by union members. They also stressed the reinforcement of the union rank by planning and carrying out the organizational, ideological, and living guidelines for the union members, and further deepening and developing the work to create exemplary primary organizations.

Relevant decisions were adopted at the plenary session.

Democratic Women's Union Holds Plenary Meeting

SK2201052394 Pyongyang KCNA in English 0439 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—The 19th plenary meeting of the C.C. [Central Committee], the Korean Democratic Women's Union [KDWU] which was held in Pyongyang on January 20 and 21 discussed what should be done by the organisations of the KDWU

to carry through the tasks set forth by the great leader President Kim Il-song in his New Year address and the decision of the 21st plenary meeting of the sixth Central Committee of the Workers' Party of Korea.

It was stressed at the meeting that KDWU organisations should contribute to further strengthening our-style socialism and giving full play to its advantages by carrying through the revolutionary economic strategy of our party during the period of adjustment of socialist economic construction.

It was also emphasized that all members of the union should intensify assistance to socialist countryside, boost the production of consumer goods and actively tap export resources.

The meeting underscored the need for them to launch a vigorous drive for increased production and economy, actively assist the people's army and continue to bring the traditional beautiful traits of army-people unity into full play.

Daily on Establishing 'New International Order' SK2501105694 Pyongyang KCNA in English 1044 GMT 25 Jan 94

["To Establish New International Order Is Urgent Requirement of the Times"—KCNA headline]

[Text] Pyongyang, January 25 (KCNA)—To establish a new international order is an urgent requirement of the times and an indispensable requirement for the building of a new independent world, says NODONG SINMUN in a by-lined article today.

The article notes:

What is most important in abolishing the old international order and establishing a new fair one is to set up a new international political order.

What is important here is to make the international community democratic and totally reject the policy of strength. To this end, it is particularly important for all countries to respect each other's sovereignty.

To force one's idea and system upon others is an undisguised violation of sovereignty and a wanton interference in internal affairs. All the countries and nations must never allow such attempt to maintain the order of domination and subordination.

Today the policy of strength finds its manifestation in the fact that arms buildup is stepped up behind the screen of "detente" and "disarmament" and military intervention openly committed in other countries under the pretext of "settlement of disputes". Highhanded and arbitrary practices should be stopped in the international arena and, to this end, it is imperative to observe the principle of equality, justice and fairness in dealing with international matters. In order to abolish the old international order and establish a new one, it is necessary to build a new order in the economic sector.

What is important in establishing a new international economic order is to reshape the irrational international financial and monetary system, the unequal trading relations including non-equivalent exchange and the system of one-sided international division of labour and rationally settle the problem of foreign debt so as to create favourable circumstances for the development and progress of the developing countries. To this end the North-South dialogue should be realized and further promoted and developed and, at the same time, the developed countries should adopt a position to fairly resolve pending international economic matters on the principle of mutual benefit and equality.

In order to establish a new international order, all the countries interested in it should strengthen unity and cooperation.

It is a consistent stand of the government of our Republic to struggle for the abolition of the old international order and the establishment of a new fair one. The government of the Republic will as ever wage an active struggle to remove all manner of unequal relations in the international area and establish a new fair international order.

Paper Urges Priority for Ideological Revolution SK2201105394 Pyongyang KCNA in English 1029 GMT 22 Jan 94

["NODONG SINMUN Calls For Priority to Ideological Revolution"—KCNA headline]

[Text] Pyongyang, January 22 (KCNA)—The course of building socialism is an untrodden path to create the new and a fierce fight to smash the intrigues of the class enemies. Therefore, without giving priority to the ideological reeducation of the popular masses, it is impossible to successfully solve manifold difficult and complicated problems in the building of socialism and defend the gains of the revolution from the anti-socialist offensive of the imperialists.

NODONG SINMUN today stresses this in an article headlined "Definite Priority to Conquest of Ideological Fortress, Decisive Guarantee for Accomplishment of Socialist Cause."

The great leader Comrade Kim Il-song is quoted as saying:

"If we are to build socialism, we must conquer two fortresses, ideological-political and material.

"Of the two, it is particularly important to conquer the ideological-political fortress."

The author of the article says:

To conquer the ideological fortress means to educate all members of society in revolutionary ideas and assimilating them to the working class and the intelligentsia in order to train them into versatile communists.

In order to build socialist society, two fortresses, ideological and material, must be conquered and the conquest of the ideological fortress must be given definite priority. Because it is a primary and decisive condition for the building of socialism. Socialism wins when the popular masses are educated in socialist ideology and united on that basis and it collapses when they are sick ideologically. The superiority of socialism to capitalism is that of ideology and the might of socialism lies in that of ideology.

The experience in building socialism in Korea clearly shows that only when definite priority is given to the conquest of the ideological fortress can socialism be built successfully. Our party haspbeen able to successfully build socialism because it has rallied the masses around the party and the leader, always giving definite priority to the ideological revolution.

The dear leader Comrade Kim Chong-il propounded the chuche-oriented theory that the ideology of man decides everything and has constantly rendered greater depth to the work of capturing the ideological fortress in keeping with the development of the revolution and construction to a higher stage. Our people firmly defend the bulwark of socialism, foiling the challenges and acts of aggression of the imperialists at every step.

Especially, the historical lesson of the deplorable realities of former socialist countries is that the cause of socialism can be accomplished only when the conquest of the ideological fortress is given priority. The main cause of the frustration of socialism in those countries is the neglect of the work for the conquest of the ideological fortress. Socialism won at the cost of blood was frustrated in those countries because socialism lost the powerful motive force for its development and failed to get a solid socio-political foundation.

Historical facts show that when a country, even if it is a big power with strong military forces and vast economic potentials, fails to strengthen its driving force and enhance its role by giving definite priority to the ideological revolution in the building of socialism, it cannot withstand the anti-socialist offensive of the imperialists and reactionaries and prevent the frustration of socialism.

Daily Lauds Independence of Korean Socialism SK2301120994 Pyongyang KCNA in English 1039 GMT 23 Jan 94

["NODONG SINMUN Calls For Thorough Implementation of Revolutionary Line of Independence, Self-Sufficiency and Self-Reliant Defence"—KCNA head-line]

[Text] Pyongyang, January 23 (KCNA)—The imperialists and reactionary forces are persistently resorting to political and military pressure and economic blockade in a bid to stifle the DPRK, but the Korean people under the guidance of the party and the leader will continue implementing the revolutionary line of independence, self-sufficiency and self-reliant defence so as to add lustre to the Korean-style socialism centering on the popular masses and advance under the uplifted banner of chuche.

NODONG SINMUN Sunday stresses this in a signed article titled "Justness of Our Party's Line of Independence, Self-Sufficiency and Self-Reliant Defence".

The article quotes the great leader Comrade Kim Il-song as saying:

"In order to meet the requirements of the present situation and of the development of our revolution we must implement the revolutionary line of independence, self-sufficiency and self-reliant defence, step up the three revolutions—ideological, technical and cultural—and thus further increase the political, economic and military might of the country."

Ours is the socialism of chuche that is unswervingly guided by the chuche idea and that is built and developed through the implementation of the revolutionary line of independence, self-sufficiency and self-reliant defence, the article says, and continues:

This line of our party is the most scientific and revolutionary line that makes it possible to build socialism of Korean style, a society that makes an uninterrupted advance in reliance upon its own people, not dependent on others, in all realms under any difficult and complex conditions.

Along this great revolutionary line the Korean people have been able to successfully build a powerful socialist country and firmly defend socialism, smashing the never-ceasing aggressive moves of the imperialists at every step.

The justness and vitality of this revolutionary line of our party lie in that they fully guarantee the defence of the sovereignty of the country and the nation and an independent and creative life of the people in any circumstances.

With a solid foundation of independence, selfsufficiency and self-reliant defence, the Korean people are dynamically pushing ahead with socialist construction without the slightest deviation, though socialism has suffered setbacks in some countries.

It is the unshakable stand and will of our party and people to hold higher the banner of socialism, the banner of revolution, and carry the building of Korean-style socialism to completion.

The justness and vitality of the line also lie in that they make it possible to decisively check the aggression of the

imperialists and reactionaries and their moves for stifling our republic and to defend socialism firmly.

Our party and people have strictly maintained the revolutionary line of independence, self-sufficiency and selfreliant defence in socialist construction, thus making the political, economic and military power of the nation invincible. Particularly, with the implementation of our party's military line of self-reliant defence under the wise guidance of Comrade Kim Chong-il, supreme commander of the Korean People's Army, our people's Army has grown to be matchless armed forces which can destroy any formidable enemy at one blow, either in view of politico-ideological superiority or in view of the modernisation standard of combat equipment.

No matter how persistently the imperialists and reactionary forces resort to political and military pressure and economic blockade in an effort to stifle our republic, they can never demolish our socialism that has risen imposingly as a powerful bastion of independence, selfsufficiency and self-reliance in national defence, declares the article.

National Science, Technology Festival Held SK2001213694 Pyongyang KCNA in English 1505 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—A national scientific and technological festival has got into full swing in the Democratic People's Republic of Korea.

The festival helps develop the nation's economy and improve the people's living with the extensive introduction of new scientific and technological achievements in production and construction.

It is held every year in the form of the central scientific and technological festival and the national exhibition of inventions and new technologies following festivals at factories and enterprises and in cities, counties and provinces.

Taking part in the festival are organs, industrial establishments and organizations in all domains and scientists, technicians, workers, peasants, teachers, students, etc. from all parts of the country.

The current festival which is open since the end of last year is distinguished from the previous ones with the display of abundant scientific and technological achievements in light industry.

Also conspicuous are scientific and technological achievements in various sectors of national economy including electric power, coal, metal, electronic and machine engineering.

The festival is co-sponsored by the Central Committee of the Korean General Federation of Science and Technology and the State Commission of Science and Technology.

'Large Deposits' of Diatomite Discovered SK2201104894 Pyongyang KCNA in English 1020 GMT 22 Jan 94

[Text] Pyongyang, January 22 (KCNA)—Large deposits of diatom earth have been found in Kangwon, South Hamgyong and North Hwanghae Provinces of Korea.

This discovery draws the attention of experts for rich deposits and good mining conditions.

In recent years, Korea has made an effective use of diatom earth excavated from various places of the country for the development of the national economy.

Absorptive, filterable and fire-resisting diatom earth is widely used in the building-materials industry, chemical and foodstuff industries, agriculture and other domains of the national economy. The demand for it is growing at world markets, selling at price of about 50 dollars per ton.

The demand for diatom earth will increase still further for its low per unit cost and increasing economic effectiveness.

Korea has made great achievements in the geological survey for a scientific analysis of the deposited conditions and circumstances of diatom earth and its extensive development.

Tourist Attractions in Kaesong, Panmunjom Noted SK2101110194 Pyongyang KCNA in English 1021 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—Kaesong is situated 160 kilometres south of Pyongyang.

Kaesong is attracting tourists because it was the capital of the Koryo Dynasty (918-1392), a unified state which existed nearly 500 years and it is the home of Koryo Insam (ginseng) and a city near the Military Demarcation Line.

There are many scenic spots in and around the city.

Among them are Pakyon falls, one of the three best water falls in Korea, historic remains such as the wall on Mt. Taehung and the Taeung hall of the Kwanum temple in its neighbourhood. Beautiful mountains, strangely shaped rocks, crystal-clear water, fascinating waterfall blend well with the time-honoured historic remains, presenting a wonderful beauty and taking the fancy of the visitors.

Preserved in their original state in the city are more than 100 important historic monuments belonging to the Koryo Dynasty, among them the Koryo Songgyungwan academy, the South gate of Kaesong, the Sonjuk bridge, Manwoldae (the site of the royal palace), Chomsongdae and the Anhwa temple.

Drawing particular attention of the tourists are the tombs of King Wang Kon, the founder of the Koryo

Dynasty, and King Kongmin, its 31st king. The tombs show well the excellent grave architecture of the Korean nation.

Panmunjom that is still a place of showdown between peace and war belongs to Kaesong municipality.

Situated there are the conference room of the military armistice commission, the room of Korean armistice talks and the hall where the armistice agreement was signed on July 27, 1953 and the evidences of those days.

Visible at Panmunjom is the concrete wall built in the area South of the Military Demarcation Line, which divides Korea into the North and the South. The wall stretching more than 240 kilometres from the east to the west across 8 counties divided 122 villages and cut off 3 highways and upwards of 220 roads and railway lines.

The visitors to the city can see at first hand and purchase the real Koryo insam and its processed goods, widely known as the elixir of life.

Tourists can board and lodge in Korean style at the national hotel. And they can taste Yakbap, ball-shape Kimchi, roasted chicken with Kaesong insam inside it and Kaesong insam wine peculiar to Kaesong.

Foreign tourists spend a good time, guided by the kind officials of the international travel company of the DPRK.

Anniversary of People's Palace of Culture Marked SK2101045594 Pyongyang KCNA in English 0420

GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—Twenty years have passed since the People's Palace of Culture was founded.

The palace, situated on the beautiful bank of the Potong River in Pyongyang, is a center of education for training party members and other working people into communist revolutionaries and a house for cultural and emotional life of the people.

The Central Committee of the Workers' Party of Korea sent a congratulatory message to the officials and employees of the palace on the 20th anniversary of its founding. The message highly praised them, saying that the palace, over the past two decades, has successfully ensured important political functions of the party and the state and international meetings and recorded enormous achievements in the political, ideological and cultural education of the working people of broad strata.

A meeting to mark the 20th anniversary on the founding of the palace was held on January 20, at which it was stressed that the palace employees would resolutely defend the leadership feats of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, satisfactorily ensure all the political functions of the state and external functions held at the palace and actively

contribute to arming party members and working people with the revolutionary idea of the party.

A message of pledge to President Kim Il-song and Comrade Kim Chong-il was adopted at the meeting.

South Korea

Han Addresses Korea-America Friendship Society SK2501111094 Seoul YONHAP in English 1039 GMT 25 Jan 94

[Text] Seoul, Jan. 25 (YONHAP)—Foreign Minister Han Sung-chu called for a stronger multilateral bonding in the Asia-Pacific Tuesday, mobilizing all available regional forums like the Asia-Pacific Economic Cooperation (APEC) and the East Asia Economic Caucus (EAEC).

Speaking before the Korea-America Friendship Society in a dinner speech, Han predicted an end to confrontational division of the Korean peninsula by the 21st century.

To better facilitate this, the Asia-Pacific region needs to strengthen a multilateral cooperation forum and incorporate North Korea in this new order, Han said.

The region, for example, could embark on security dialogue, give APEC a bigger role, and cooperate closely with North American Free Trade Agreement (NAFTA) and link it with EAEC, the foreign minister said.

To prevent NAFTA and EAEC from becoming regional blocs, South Korea and other mid-economy nations of East Asia should link up with both forums in due course, he suggested.

"No matter what the situation, South Korea and the United States should continue to work to retain and develop world free trade order and make APEC which connects North America with East Asia the basic framework for the economic order in the Asia-Pacific," said Han.

Comments on DPRK Nuclear Issue

SK2501125894 Seoul YONHAP in English 1245 GMT 25 Jan 94

[Text] Seoul, Jan. 25 (YONHAP)—Foreign Minister Han Sung-chu said on Tuesday evening Seoul will continue to exert diplomatic efforts to get the North Korean nuclear issues resolved peacefully.

"But, whether or not it would be necessary to carry on efforts for its peaceful resolution will be determined in the next two to three weeks," Han said.

The minister's remarks were taken to suggest that if the International Atomic Energy Agency (IAEA) fails to reach a satisfactory accord with North Korea by the time the next IAEA Board of Governors meeting opens on

Feb. 21, the nuclear question could be referred to the U.N. Security Council for necessary action.

While answering questions after he delivered a speech at the Korean-America Friendship Society, Minister Han said that if North Korea comes to possess nuclear arms, the danger of conventional armed clash on the Korean peninsula grows much larger.

Regarding world powers' view of Korean unification, the foreign minister said the four powers having stakes in the Korean peninsula seem wanting to see Korea remain divided as now.

"Though the world powers do not favor our unification, they won't do anything outright to obstruct it if and when unification is achieved," he added.

Minister Han also said it is natural for South Korea to share the expense of the U.S. forces in Korea to a certain extent.

For, the U.S. forces here perform a role South Korea needs though their presence is due in part to the U.S.' own interests, he said.

No Tae U's Former Aide Seeks U.S. Residency SK2201011494 Seoul YONHAP in English 2359 GMT 21 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—Kim Chong-hwi, a former senior presidential secretary for Foreign and Security Affairs wanted in Korea for questioning in connection with irregularities in the Yulgok military project, has applied for permanent residentship in the United States, the government said Saturday.

Officials said Kim's application was taken to mean that he is giving up his Korean citizenship and seeking political asylum.

It is not immediately known how the Seoul government will respond.

Kim, who was a trusted aide to President No Tae-u, left the country when authorities started investigating him on suspicion of receiving bribes while he was in Chongwadae.

Wanted for Yulgok Questioning

SK2201020394 Seoul YONHAP in English 0121 GMT 22 Jan 94

[Text] Washington, Jan. 21 (YONHAP)—Kim Chonghwi, a former senior presidential secretary for foreign and national security affairs, applied for permanent U.S. residentship in early December, it was disclosed Friday.

Kim, 59, is wanted in South Korea for questioning in connection with irregularities in the Yulgok military buildup project. He fled to the United States shortly after authorities started to investigate people involved in the Yulgok project.

Informed sources said that Kim submitted an application for permanent residentship in early December at a local office of the U.S. immigration and naturalization service through his lawyer.

Details are not known, the sources said.

There is a possibility that Kim is seeking permanent residency in the United States to avoid criminal prosecution in Seoul as his visa is expected to run out before a new president takes office.

An official at the Korean Embassy said that although there were rumors that Kim was seeking political asylum in the United States, the reports were "exaggerated."

"He is not qualified for political asylum since he is a criminal suspect in the Yulgok military project," the official said, requesting anonymity.

The official said he could not confirm that Kim had applied for permanent U.S. residentship, but he may be allowed to live in the United States, depending on his qualifications.

Vice Foreign Minister Comments

SK2201040294 Seoul YONHAP in English 0247 GMT 22 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—South Korea may ask the United States not to grant permanent residency to a former presidential aide suspected of a crime.

"We can deliver our own position on the matter and seek Washington's support from the perspective of cooperation on criminal matters," Vice Foreign Minister Hong Sun-yong said Saturday, suggesting that Seoul may oppose issuance of a residency permit.

The embassy in Washington has been instructed to formally confirm reports that Kim has asked for a residency permit, commonly called a "green card."

Kim, chief aide for diplomacy and national security under President No Tae-u, went to the United States in April last year as a guest researcher at the heritage foundation. Just few months after departure, an investigation implicated him in the taking of massive bribes in connection with the "Yulgok (military modernization)" project.

Hong said the government learned about a week ago of Kim's application for a green card.

"We will consult with the Justice Ministry in deciding what to do, if we need to ask for U.S. cooperation," he said. "But canceling Kim's passport is not an option under consideration."

Politicians React to Request

SK2201041794 Seoul YONHAP in English 0321 GMT 22 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Government leaders and politicians reacted with anger and dismay Saturday to the report that Former Senior Presidential Secretary for Foreign and National Security Affairs Kim Chonghwi has applied for permanent U.S. residentship.

Sharp criticism and disgust had been levelled against him when he fled the country for the United States as President Kim Yong-sam's anti-corruption campaign reached the once untouchable military buildup projects known as the Yulgok program.

Kim has come under suspicion of receiving bribes by allegedly peddling influence as a trusted aide to President No Tae-u.

Officials at Chongwadae [presidential office] received the news with stunned disbelief as the reports said Kim might be seeking a political asylum in the United States.

"How could he, once a prominent public servant, sell himself out to a foreign country just because he is being pursued by the law of his country as a criminal?" asked one Chongwadae official said, requesting anonymity. [sentence as received]

Political asylum is usually asked by those whose life is threatened by dictators or by other colonial overlords. It is not something given by a foreign country to a criminal on the run, he said.

It was being reported Saturday that the Seoul government is considering using diplomatic channels to the United States to ask the U.S. Government to reject Kim's application for permanent residentship.

"Kim Chong-hwi had pretended that he was a clean official," said another Chongwadae official. "He never even bought a cup of coffee for other officials.

"If he is that clean, why doesn't he come home and answer the charges?"

Aides to former President No were also expressing their disgust, calling Kim a "disgrace to the Sixth Republic."

Since he once commanded the nation's foreign and security policy from a prestigous and exulted position, he should have come home when his mother died and buried her and answered questions by the prosecution, rather than abusing his former position and seeking political asylum in another country, they said.

Kim Chong-pil, chairman of the ruling Democratic Liberal Party [DLP], told reporters: "It is big trouble.

"All politicians are responsible for their country. How could the man act like that? I simply couldn't understand his mentality."

"I cannot help doubting about the stability of his mind," said Rep. So Chong-hwa. "If he is really seeking political asylum, it's a mind-boggling thing to do."

There have been a lot of "problems" with the previous administration but this case aptly and glaringly illustrates the real character of the No government, another DLP lawmaker said.

The main opposition Democratic Party [DP], meanwhile, is trying to make a political issue out of the affair.

The DP defined it as a product of the current administration's "unfair and unbalanced" prosecution of corrupt officials.

In an official commentary, DP Deputy Spokesman Kwon Il-sun said that there had been suggestions the current administration could have helped Kim escape to the United States even though he had been the main player in irregularities in connection with the selection of the mainstay fighter aircraft.

Noting that the U.S. Government should not grant political asylum to Kim Chong-hwi, he said, "the Seoul government should recall Kim at any cost following talks with the U.S. Government through diplomatic channels."

Son Chun-yong To Meet With U.S. Trade Official SK2301025394 Seoul YONHAP in English 0240 GMT 23 Jan 94

[Text] Seoul, Jan. 23 (YONHAP)—Assistant U.S. Trade Representative Nancy Adams will visit Seoul on Thursday to fine-tune with government officials an agenda of the coming Asia-Pacific Economic Cooperation (APEC) Committee of Trade and Investment (CTI) meeting slated for Jan.31-Feb. 1 in Jakarta.

She will meet with Assistant Foreign Minister Son Chunyong on Friday about nine items, including product standardization and simplified customs clearance, on the agenda of the CTI meeting. Son is to act as chairman of the CTI meeting, officials said.

The two will also discuss how Korea and the United States should cooperate in promoting trade and investment in the Asia-Pacific region.

In the Jakarta meeting, Korea will offer to lay a bridge between the United States, Japan and other advanced countries in the region on the one side and China, Southeast Asian nations and other developing countries on the other side for increased economic cooperation between them, the officials said.

U.S. Spokeswoman on DPRK-IAEA Talks

SK2501014594 Seoul YONHAP in English 0123 GMT 25 Jan 94

[Text] Washington, Jan. 24 (YONHAP)—North Korea rebuffed the kind of inspection required by the International Atomic Energy Agency (IAEA) at the latest contact in Vienna, and the agency is intent on not sending the inspection team without a pre-agreement on all details, State Department spokeswoman Christine Shelly said Monday.

The issue will be put to international agenda next month when the IAEA holds board of governors meeting, she said.

The IAEA wants to conduct specific tests to verify that North Korea did not divert any nuclear material since the last inspection and to allow future verification while ensuring continuity in safeguards, Shelly told a noon briefing.

"North Korea, while agreeing with a number of the planned measures, indicated that a significant number of other required measures, ones that were outlined by the IAEA, would not be allowed," she explained.

"The IAEA will not send an inspection team to North Korea unless there is full agreement on the safeguard measures which have been specified and have been judged necessary for a meaningful inspection," said Shelly.

While predicting a "formal review on this" at the February board meeting, the spokeswoman emphasized the complexity of the situation.

The United States or the security council will call a halt when "they feel that there is nothing meaningful" in ongoing talks.

"This is not a simple issue," she said.

But Washington is hopeful still of a settlement, according to Shelly, "I think the fact that North Korea is in Vienna and is trying to work out the details with the IAEA is an indication that they are committed to finding a resolution to the problem."

There was no planned contact with North Korea in New York, she added.

DPRK, IAEA Discuss Nuclear Inspection

SK2401235294 Seoul YONHAP in English 2345 GMT 24 Jan 94

[Text] Berlin, Jan. 24 (YONHAP)—North Korea and the International Atomic Energy Agency (IAEA) held a working-level contact in Vienna Monday to discuss problems related to the IAEA's inspection of North Korean nuclear facilities, IAEA spokesman Hans Meyer said.

At the two-hour meeting, the two sides agreed to meet again Tuesday, Meyer said. He declined to disclose details of Monday's talks.

Informed sources said North Korea conveyed its position on the IAEA demand on the scope of its inspection. It was not known, however, whether the two sides made any progress in Monday's talks held at the IAEA headquarters in Vienna.

Paper Analyzes DPRK Strategy in Nuclear Talks SK2501075194 Seoul CHOSON ILBO in Korean 25 Jan 94 p 4

[By Pak Tu-sik]

[Text] It was learned that the U.S.-North Korea workinglevel contact, held in New York on 5 January, came to an end after "having agreed to disagree."

The contents of their agreement is relatively simple. That is: North Korea will accept ad hoc and ordinary inspections of seven declared nuclear facilities in Yong-byon demanded by International Atomic Energy Agency [IAEA].

The Status of Agreement on Disagreement. [subhead]

However, North Korea interprets acceptance of inspections to mean the acceptance of "limited inspection for maintaining the continuity of nuclear safeguards measures, not the 'regular inspection' which member nations of the Nuclear Nonproliferation Treaty [NPT] are obliged to undergo," while the Western camp, including the ROK and the United States, interpret it to actually mean "the acceptance of full-scale ad hoc and ordinary inspections."

Both the ROK and the United States chose the position that "North Korea's complete return to NPT is the main agenda for the third round of U.S.-North Korea high-level talks that are to be resumed after inspections are conducted. Therefore, whether the number of inspection is one time or not is not a serious question." In other words, the negotiations were for North Korea to find justification [myongbun] and for the practical interest of the ROK and the United States.

Negotiations between North Korea and IAEA have dragged on for much longer than expected. In a recent negotiation, North Korea raised the issue pertaining to interpretation of the "agreement to disagree." Concerning "the inspection plan and list" where all seven facilities are targets of inspection, North Korea questioned: What relationship does this plan and list have with continuing nuclear inspections?

Relationship With "Continuity of Inspection." [sub-nead]

From North Korea's point of view, the question of North Korea's full return to NPT membership is an important card in forthcoming negotiations with the United States.

Therefore, North Korea may be planning to clearly delineate this issue in negotiation with the IAEA. The abrupt 21 January statement by the North Korean Foreign Ministry spokesman might have been prompted by such a strategy.

It was learned that a similar situation occurred in consecutive contacts held between North Korea and IAEA on 17 and 18 January.

Meanwhile, it is the IAEA's position that the continuity of nuclear safeguards measures cannot be guaranteed if North Korea refuses to accept the whole lists put forward by the IAEA, and if North Korea fails to send a reply on this issue by the end of this month, the IAEA must declare a "breakup" in continuity during its regular Board of Governors meeting slated for 22 February.

Variable Factors, Including the Two Kims' Birthdays. [subhead]

Since the IAEA agrees that forthcoming inspections are not "regular inspections" conducted on NPT member states and North Korea is not opposed to the inspection of seven facilities itself, the road to an agreement is unlikely to be difficult. At least, this speculation was dominant until the end of U.S.-North Korea contact in New York. Nevertheless, North Korea is dragging the talks along without presenting a clear explanation. The reason for this can be interpreted in several ways.

First, North Korea may need to buy time to adjust internal opinion on the results of the New York negotiation, or they may have decided that if they are to accept IAEA's inspections, to make the most of it. However, there are a number of hurdles lying before these delaying tactics of North Korea.

For instance, the IAEA's Board of Governors' meeting is scheduled to be held in a little over a month and the North Koreans need to keep an eye out for Kim Chongil's 52nd birthday on February 16.

Since North Korea celebrates birthdays of Kim Il-song and Kim Chong-il as an extraordinary national holiday, it usually refrains from taking any external action during this period. Therefore, North Korea must settle the issue of IAEA's inspection before this day. Thus, the North Korean nuclear issue faces another time limit.

Cabinet Discusses DPRK Nuclear Issue Solution SK2501081794 Seoul YONHAP in English 0800 GMT 25 Jan 94

[Text] Seoul, Jan. 25 (YONHAP)—The government held a unification-related ministers' meeting Tuesday to discuss ways to resolve the North Korean nuclear problem and resume inter-Korean dialogue, officials of the National Unification Board (NUB) said.

The ministers decided to readjust the government's long-term atomic energy policy in an effort to push the country into the level of advanced nations as soon as possible, the officials said.

At the same time, the government will preprare for possible mutual nuclear inspection with North Korea by setting up a body, tentatively named "The Atomic Energy Control Center," the ministers agreed. The center is to be established soon under the Science and Technology Ministry.

The meeting, presided over by Deputy Prime Minister and NUB Minister Yi Yong-tok, also decided to make efforts to find a breakthrough through exchange of special envoys with Pyongyang and make active efforts to reach within this year "the reconciliation and cooperation stage," the first stage of the government's three-stage unification formula, by improving the inter-Korean relations.

The second stage is "the Korean Commonwealth stage," while the third is "the unified Korea stage."

The government reaffirmed its position that for a solution to the North Korean nuclear issue, Pyongyang has to return fully to the Nuclear Nonproliferation Treaty, accept International Atomic Energy Agency (IAEA) inspection and agree in principle to mutual nuclear inspection with the South.

Meanwhile, Deputy Prime Minister Yi told the 14 ministers who attended the meeting to consult at any time with the NUB before making their policies related to unification in order to maintain a consistent government policy on North Korea.

Official: DPRK Must Allow Inspection by 21 Feb SK2501053394 Seoul CHUNGANG ILBO in Korean 25 Jan 94 p 2

[Text] The government held the 15th meeting of unification-related ministers on the morning of 25 January at the Office of South-North Dialogue in Samchong-tong, Seoul. In the meeting presided by Yi Yong-tok, deputy prime minister and minister of the National Unification Board, they discussed important pending issues such as the resolution of the North Korean nuclear issue and resumption of South-North dialogue.

The meeting participants expressed concern about the fact that negotiations between North Korea and the International Atomic Energy Agency [IAEA] over the nuclear inspection issue are being delayed further than expected, and they decided to urge North Korea to allow the inspection by the IAEA as soon as possible.

The unification-related ministers also expressed their regret over South-North dialogue, which has remained deadlocked for over one year because of the North Korean nuclear issue. They agreed to accelerate South-North economic cooperation, including the promotion

of businessmen's visits to the North, when a breakthrough to resolve the North Korean nuclear issue is found.

Regarding North Korea-IAEA negotiations over the nuclear inspection issue, a government official said: "North Korea must allow nuclear inspections no later than 21 February when the next regular meeting of the IAEA Board of Governors is to be held." He added: "The negotiations on nuclear inspections have been delayed because of differences in opinion between the IAEA and North Korea about the characteristic of inspections [sacharui songgyok munje].

Anti-Chemical Weapons Campaign Head To Visit SK2201014494 Seoul YONHAP in English 0110 GMT 22 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—Ian Roy Kenyon, who heads up an effort to launch a global campaign against chemical weapons, will visit Seoul on Sunday, the Foreign Ministry said Saturday.

Kenyon, coming as a guest of the assistant foreign minister for policy planning, is scheduled to meet with Foreign Minister Han Sung-chu and other government officials during his three-day stay. He is also to meet leaders of the chemical industry.

His title is secretary-general of the committee preparing to launch the Organization of the Prohibition of Chemical Weapons (OPCW), the main body that will implement the chemical weapons convention.

The convention opened for signing in January last year and will take effect 180 days after 65 nations ratify it, but not before two years have elapsed.

South Korea signed in January but North Korea, a suspected chemical weapons country, has yet to do so.

Seoul officials plan to promise active participation in the preparation process and seek seats on the 41-member OPCW executive council.

Orientation for South Koreans Visiting North SK2301080794 Seoul KYONGHYANG SINMUN in Korean 23 Jan 94 p 2

[By reporter Chong In-hwa]

[Text] In the event that separated family members and businessmen of the ROK want to contact North Korean residents or to visit North Korea, the government plans to allow only those who completed a course of education on reunification in the educational institute under the National Unification Board [NUB]. Having formulated this policy on 22 January, the NUB is going to discuss concrete curricula in the course of education and to implement them from April at the earliest. For those who visited North Korea in the past in connection with North-South dialogue including high-level talks and

sports talks, the Agency for National Security Planning conducted prior education. However, no education was conducted in advance for separated family members and businessmen who wanted to contact North Korean residents in a third country.

According to the new policy, the separated family members and businessmen who want to visit North Korea or to meet their relatives and friends living in North Korea will be required to attach to the request for visit to North Korea a statement on personal background, the exit report and permit, North Korean side's memorandum on insurance of personal safety, and a certificate of completion of education by the NUB.

DPRK Operation Team's Activity in China Noted SK2301042394 Seoul CHUNGANG ILBO in Korean 23 Jan 94 p 2

[YONHAP from Beijing]

[Text] It was learned on 22 January that North Korea recently established a South Korean affairs operation team within the Workers' Party of Korea, which is operating successfully in large-scale operations in China to attract ROK students, traders, tourists, and businessmen who have visited China frequently since the establishment of ROK-Sino diplomatic relations in August 1992.

A well-informed source in North Korea's situation in China said: North Korea's large-scale operation organization, which is directed by the South Korean affairs operation team, is briskly conducting operations mainly in three districts—Northeastern area, including Yinji City; Beijing; and Shanghai—where ROK citizens have visited frequently. North Korea's operation agents are attracting ROK citizens by making pro-North Korean compatriots responsible for a small operation base.

Opposition Party Opposes President's PRC Visit SK2301012694 Seoul THE KOREA HERALD in English 23 Jan 94 p 2

[Text] The main opposition Democratic Party [DP] said yesterday it is opposed to President Kim Yong-sam's plan to visit China in late March.

DP spokesman Rep. Pak Chi-won issued a statement attacking President Kim's planned tour to Beijing as contrary to the principle of "reciprocity."

"Former President No Tae-u first made an official visit to China in September 1992, while in office," Pak said.

"Therefore, according to the principle of reciprocity, the Chinese head of state, President Jiang Zemin, has to pay a visit to Seoul this time," Pak insisted.

If President Kim goes through with his plan to China, the criticism will be unavoidable that his administration hasn't yet broken away from diplomatic flunkeyism, Pak said.

President Kim himself has said that his new administration would carry out its diplomatic policies on an equal footing with the world's super powers, calling it a "new diplomacy," said Pak.

"We are worried Kim is not keeping his own word. We also fear that the so-called new diplomacy may turn into a new slavish diplomacy," Pak said.

Delegation To Attend GATT General Assembly SK2201064694 Seoul YONHAP in English 0637 GMT 22 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—A South Korean delegation led by ambassador to Geneva Ho Sung will attend the 49th General Agreement on Tariffs and Trade (GATT) General Assembly that starts on Jan. 25 for three days, Foreign Ministry officials said Saturday.

Member countries are expected to examine and assess last year's GATT activities and discuss the results of the Uruguay Round trade talks that narrowly reached conclusion last month, officials said.

They will also discuss birth of the world trade organization that will replace the 50-year-old GATT and future multilateral trade negotiations, they said.

Uranium Considered as Russian Loan Repayment SK2501073894 Seoul YONHAP in English 0657 GMT 25 Jan 94

[Text] Seoul, Jan. 25 (YONHAP)—South Korea is looking for various ways on getting repaid for loans to the former Soviet Union, including material repayment in enriched uranium and bunker C oil, an envoy said Tuesday.

"Possibility is not that high at this moment," said Kim Sok-kyu, South Korean Ambassador to Moscow, "but we are studying these ideas because of the precedent of being repaid in aluminum."

Kim temporarily returned to Seoul last week to brief the government on recent developments in Russia and to coordinate Seoul's policy toward Moscow.

The Paris Club will provide a rough guideline on repayment schedule for South Korea, Kim told a press conference, and an inter- ministerial discussion with Finance and Trade, Industry and Resources Ministries will find various alternatives.

Seoul promised 3 billion U.S. dollars in financial aid to the former communist country but delivered only 1.47 billion dollars and suspended the rest at the collapse of the Soviet Union. Seoul has received a list of arms Russia offered for joint development and production, another alternative to loan repayment, but the government will need prudent review before making any decision, said Kim.

On North Korea-Russia relations, the envoy said Moscow proposed vice minister-level talks to North Korea from this year but is yet to receive a reply.

"North Korea and Russia are gradually restoring their relations of dialogue," he told reporters.

Moscow has not abandoned human rights issue with Pyongyang and is determined to insert the rights clause for the workers in a new agreement on operating North Korean lumber yard, he said.

President Boris Yeltsin said he wants his South Korean counterpart Kim Yong-sam to make certain to visit Russia this year, and the two countries will consult on this issue, he said.

Plan To Introduce Russian Weapons Studied

SK2501114894 Seoul YONHAP in English 1131 GMT 25 Jan 94

[Text] Seoul, Jan. 25 (YONHAP)—The Defense Ministry is studying a plan to introduce some Russian weapons for use in training and research programs, a senior ministry official said on Tuesday.

Han Sung-ui, a ministry policy planning officer, said, however, it would be difficult to bring in Russian weapons for the purpose of beefing up the weaponry of the armed forces.

"If some Russian weapons were introduced, they would be used in their experimental studies, anti-air training and the study of Russian operational tactics and doctrine," Han said.

He made the remarks before a group of reporters in connection with the recent Russian offer to repay credits Korea extended to Russia with their weapons.

Han also said the time has come for the country to positively promote military cooperation with Russia and Japan mainly through the exchange of military students and top military leaders.

The government's basic policy, he said, is to continue to place emphasis on military cooperation with the United States.

"But, our policy also calls for cooperation with neighborly countries in the military area as well," Han said.

He said stepped up military cooperation with these countries will help keep them from furnishing offensive weapons to North Korea, induce North Korea to reforms and opening, and contribute to laying a groundwork for stability and peace in Northeast Asia.

Seoul Plans To Provide Financial Aid to PLO SK2201011694 Seoul THE KOREA TIMES in English 22 Jan 94 p 2

[Text] The government plans to provide financial aid to the Palestine Liberation Organization (PLO) when a legitimate recipient body is set up, officials said yesterday.

An official who refused to be identified said that the PLO is expected to set up an interim committee soon to receive financial aid from the world for the rehabilitation of the Gaza Strip and the West Bank city of Jericho.

Seoul expressed its will to support rehabilitation of the autonomous region at multilateral talks in Washington Oct. 2-3 last year. Foreign Minister Han Sung-chu attended the talks co-chaired by U.S. Secretary of State Warren Christopher and Russian Foreign Minister Andrei Kozyrev.

The talks were the first international ones held to handle the aid program since Israel and the PLO signed a peace accord in Washington early last September.

"We are unable to discuss the aid program as no recipient body has yet been set up by the PLO," the official said.

But inter-ministerial consultations are under way on the methods of financial aid to the PLO following the establishment of a recipient body, he said.

He said he is quite sure that the aid program will be discussed bilaterally with the PLO, not international bodies or Israel.

Israeli Foreign Minister Shimon Peres telephoned his Korean counterpart Han to support the rehabilitation of the autonomous region of Palestinians in the Gaza Strip and Jericho, shortly after the signing of the peace accord.

It is expected that the government will extend soft loans from the Economic Development and Cooperation Fund (EDCF). The EDCF is a government-managed fund for developing nations.

But other officials did not rule out that nonrefundable aid would also be delivered although in small amounts.

The United States has projected collecting contributions through the International Monetary Fund (IMF) or the World Bank.

At present, no country has extended aid to PLO for the same reason as Korea and also because of the uncertainty of the Middle East peace.

PLO chief Yasir 'Arafat also expressed hope for assistance from South Korea in a recent interview with KBS [Korea Broadcasting System]. 'Arafat is familiar with North Korean leaders, having visited Pyongyang several times.

South Korea has no formal diplomatic ties with the PLO but has already recognized its identity.

Economic Meeting With Canada Planned in Seoul SK2201014394 Seoul YONHAP in English 0027 GMT 22 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—South Korea and Canada hold their second joint economic committee meeting Jan. 26-27 in Seoul, the Foreign Ministry announced Saturday.

On the agenda are, among other things, a review of the International and Domestic Economic Situations, the Asia-Pacific Economic Cooperation (APEC), prospects of the North American Free Trade Agreement (NAFTA), post-Uruguay Round world trade, Korea's financial market opening, wider market access and science-technology cooperation.

The meeting is Korea's first with a NAFTA member since the agreement went into effect Jan. 1.

Seoul will ask Ottawa to be fair and follow the UR agreement in making a final dumping ruling on Korean steel.

The Canadian Department of National Revenue's preliminary ruling, dated Jan. 17, slapped a 45.6-percent dumping margin on hot-rolled carbon steel plate exported mainly by Dongkuk Steel Mill Co. and Pohang Iron and Steel Co.

Son Chun-yong, assistant foreign minister for Economic Affairs, represents the Seoul side. Howard Balloch, assistant foreign minister for Asia and the Pacific, is Canada's representative.

Prosecution Investigates Land Fraud Allegations
SK2201052594 Seoul YONHAP in English 0446 GMT
22 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—The Seoul District Public Prosecutors' Office Saturday questioned Pak Kun-po, president of the Pusan Chemical Co., and three other people about a complaint filed by Pusan charging Yi Chol-hui and Chang Yong-cha with fraud.

Prosecutors asked them the details of how Pusan made a contract with Kim Chu-sung, son-in-law of Yi and Chang.

Yi and Chang will be summoned early next week, a prosecution spokesman said.

Pusan, a footwear maker, Thursday accused the couple and Kim of fraud over a deal to sell 6,976 square meters of land in Pusan to Pusan that fell through because Chohung Bank had a lien on the land.

Kim, who had received 2.3 billion won from Pusan as contract deposit, gave Pusan a promissory note for 4.25

billion won (5.25 million U.S. dollars) as breachof-contract damages. The note, issued by Kim and endorsed by Yi and Chang, was later dishonored.

'Thousands' Attend Mun, Chong Funerals

SK2201062394 Seoul YONHAP in English 0529 GMT 22 Jan 94

[Text] Seoul, Jan. 22 (YONHAP)—South Korea marked the passing away of two popular leaders of the times on Saturday as thousands of people turned out for their funeral processions.

Over 500 people, including politicians and family friends, appeared for the funeral of former Prime Minister Chong Il-kwon at the National Assembly plaza.

Ruling party Chairman Kim Chong-pil gave a memorial address in which he spoke of Chong as an unforgettable leader "whose footprints will never be erased but remain in illumination."

Chong was laid to rest in the National Cemetery.

Almost 2,000 people attended funeral services for the Rev. Mun Ik-hwan at Hansin University in northern Seoul.

Mourners included former opposition leader Kim Taechung, Democratic Liberal Party Chairman Yi Ki-taek, HANGYORE SINMUN President Kim Chung-pae, Buddhist monk the Ven. Chison, and Roman Catholic Priest Kim Sung-hun.

"I deplore heartily the death of the Rev. Mun Ik-hwan, who was a symbol of the people's conscience, a sacrifice of democracy and a close friend of the people," Kim Tae-chung said in a memorial address.

Mun is to be buried in Masok-kun, Kyongggi Province.

Nations To Discuss Tuman River Development

SK2301025894 Seoul YONHAP in English 0244 GMT 23 Jan 94

[Text] Seoul, Jan. 23 (YONHAP)—The U.N. Development Program (UNDP) will hold a working-level meeting of North and South Korea, China, Russia and Mongolia in New York on Jan. 31 to discuss the Tuman River Development Plan.

South Korea will be represented by a five-member delegation led by Mun Ha-yong, director of the Foreign Ministry's economic organizations division, in the fivenation meeting that will last until Feb. 2, Foreign Ministry officials said.

The meeting will focus on the three proposed agreements on the development of the Tuman River valley. The three agreements are related to establishment of a joint five-nation development organization and an intergovernmental coordinating committee for effective cooperation of the five nations in the Tuman River Development Plan, and development principles the three valley nations—North Korea, China and Russia—will set up for the valley development, the officials added.

The five nations will also discuss a plan for the holding of a vice minister-level meeting to sign the agreements if they consent to them in the New York meeting.

Infrastructure construction in the valley and how to finance it will be on the agenda, the officials said.

Burma

Aung Toe Speaks at 18 Jan Charter Meeting

BK2001112794 Rangoon Burma Television Network in Burmese 1515 GMT 18 Jan 94

["Full Text" of speech by U Aung Toe, chairman of the National Convention Convening Work Committee and chief justice, at the plenary session of the National Convention held in the President's House compound in Rangoon on 18 January—recorded]

[Excerpt] [passage omitted] Mr. Chairman, concerning the discussions of the chapters of the constitution, I would like to present and explain some matters on the state, the state structure, and the head of state chapters. The basic principles concerning the chapter entitled The State are:

1. Myanmar is a sovereign independent state;

2. The state shall be called the Union of Myanmar;

3. The sovereign power of the state which stems from the citizens shall reside in the entire state;

 The territory of the state is the territory on the day the constitution is adopted.

These basic principles will be included in the chapter The State. Moreover, if there are any other suitable fundamental principles to be added, the delegates are encouraged to present their suggestions.

Mr. Chairman, the basic principles concerning the chapter State Structure are:

1. The state shall be established as a union system;

2. The existing seven divisions shall be prescribed as seven regions [preceding word in English] and the existing seven states will remain as states [preceding word in English]. The said seven regions and seven states are equal in status;

3. The seven regions and seven states shall retain their

current names;

4. If a region or a state wishes to change its name, a law shall be promulgated on a name change after the wishes of the citizens of the region or state concerned are obtained:

5. Self-administered areas [three preceding words in English] are to be prescribed for national races other than those who already have state status as either a region or state, if they have the appropriate population and have existed as a united group in a continuous territory;

6. Self-administered divisions [three preceding words in English] or self-administered zones [three preceding words in English] shall be prescribed as appropriate based on the population and the extent of the territory, and the state shall form a commission to prescribe such divisions and zones;

7. The territory of the state in the regions, states, and self- administered areas shall never secede from the state.

These fundamental principles constitute the main essence concerning the state constitution. In discussing the chapter State Structure, if any other suitable detailed principles lying within the fundamental principles are to be added, the delegates should present their suggestions.

Mr. Chairman: In the principles concerning state structure it has been prescribed that the existing seven divisions will be prescribed as seven regions and the existing seven states will remain as states. The said seven regions and seven states are equal in status. The seven regions and seven states will retain their current names. In accordance with the basic principles, a fundamental principle should be adopted in naming the regions and the states as follows;

1. The state is divided into seven regions [preceding word in English] and seven states [preceding word in English]: Kachin State, Kayah State, Karen State, Chin State, Sagaing Region, Tenasserim Region, Pegu Region, Magwe Region, Mandalay Region, Mon State, Arakan State, Rangoon Region, Shan State, and Irrawaddy Region.

2. The various regions and states are equal in status.

Mr. Chairman: Regarding the principles concerning state structure that I presented earlier, the following fundamental principles for self-administered areas have been prescribed;

Self-administered areas [three preceding words in English] are to be prescribed for national races other than those who already have state status as either a region or state, if they have the appropriate population and have existed as a united group in a continuous territory;

Self-administered divisions [three preceding words rendered in English] or self-administered zones [three preceding words rendered in English] will be prescribed as appropriate based on the population and the extent of the territory and the state shall form a commission to prescribe such divisions and zones.

Mr. Chairman: In accordance with the prescribed fundamental principles on self-administered divisions and self-administered zones, conditions exist for the formation of such divisions and zones. In the regions and states, there are national races other than those who already have state status as either a region or state. Some national races have the appropriate population and have existed as a united group in a continuous territory. The national convention has already adopted a fundamental principle prescribing self-administered divisions or self-administered zones as appropriate for those national races based on the population and the extent of the territory.

Mr. Chairman: The national convention delegates should present suggestions on how to determine the self-administered divisions and self-administered zones. Since the self-administered divisions will have the legislative, administrative, and judicial powers in accordance

with the constitution, they should include districts and townships. Although the status of a self-administered division is not as high as a region or state, it is higher than the districts from the regions or states. A selfadministered zone should be prescribed for the national races that have resided in unity in that zone. A fundamental principle that the state should form a commission has been adopted to determine a self-administered division or a self-administered zone, if conditions exist, and the formation of a commission concerns procedural matters. The intention for brother national races to quickly receive due privileges is unanimous in the minds of convention delegates. Instead of the state forming a commission to determine which deserving national races should be granted either self-administered divisions or self-administered zones and to determine the places and zones, it will delight the concerned national races and will further strengthen national unity if the delegates prescribe them after discussions and deliberations. The delegates should present their proposals on whether it is feasible to prescribe outright the self- administered divisions or self-administered zones for national races other than those who already have either a region or state that meet all the requirements of the fundamental principles.

Mr. Chairman: There will be a need to prescribe the basic principle for the chapter on state structure for the structure of the Union of Myanmar including the selfadministered divisions or self-administered areas. In accordance with the 1974 constitution, villages are combined into village tracts; wards are classed together as towns; village tracts, wards, and towns are put together as townships; townships are combined into divisions or states; and divisions and states are organized as the state. Since the State Law and Order Restoration Council [SLORC] took the responsibilities of the country, there are ward and village level, township level, district level, and state or division level state organizations for easy and speedy communications and effective administration. A fundamental principle should be prescribed regarding state structure where villages are combined into village tracts; wards are classed together as a town or township; village tracts, wards or towns are put together as a township; townships are combined into a district; districts are organized into a region or a state; in a self-administered zone, self-administered townships are combined as a self-administered zone; in a selfadministered division, self-administered townships are combined as a district and these districts are organized as a self-administered division; if there is a selfadministered division or self-administered zone in a region or state, the self-administered division or selfadministered zone and the districts are organized as a region or a state; and the regions and states are organized as the state. The basic principle on territory of the state in the regions, states, and self- administered areas will never secede from the state has already been adopted and these must be presented in the chapter concerning state structure.

Mr. Chairman: The fundamental principles to be prescribed in the chapter on state structure are: 1. How will it be done when the need arises to change the national territorial boundary?

2. How will it be done when the need arises to change a

region or state boundary?

3. How will it be done when the need arises to change or form boundaries, or change the name of a village, village tract, ward, town, and township in a region, state, self-administered division, or self-administered zone?

These must also be put into consideration and discussed. Delegates should present suggestions in view of the country's benefit, on how to solve above mentioned boundary matters if the need arises. The National Convention Convening Work Committee [NCCWC] based on the overall study would like to present some suggestions.

Mr. Chairman: If the need arises to solve boundary matters in view of the country's benefit, suggestions will also include some legislative matters. So, some principles concerning legislative affairs will also be included in the suggestions. In prescribing fundamental principles for legislature, there will be a bicameral Union Parliament with one elected chamber based on population representation and another chamber with equal representation from the regions and the states. There will also be persons to head those parliaments.

Mr. Chairman: When the need arises to change the national territorial boundary, the president should first inform the head of the Union Parliament to get the approval of the Union Parliament. The Union Parliament should then take the vote of the members of parliament as follows to change the national territorial boundary:

1. More than half the vote of representatives of the parliament made up of equal number of representatives from regions and states;

2. More than half the vote of representatives of the [Union] parliament elected on the basis of population;

3. More than half the vote of representatives of the two parliaments in the concerned region or state.

The convention is to discuss and suggest on whether a basic principle should be prescribed to enable the president to alter the national territorial boundary after receiving the stipulated support vote. If either one of the parliaments or representatives of the two parliaments in the concerned region or state decide to disagree to change the national territorial boundary according to the methods mentioned above, the president can change the national territorial boundary if the matter received more than three fourth of the vote in the Union Parliament. The convention is to discuss whether such a basic principle should be prescribed.

Mr. Chairman: I will explain measures to be taken when it becomes necessary to alter the territorial boundary of a region or a state. When the need arises to change the territorial boundary of a region or a state, the consent of the voters residing in the region or state should first be obtained. The changing of territorial boundary is not to

be carried out if it does not receive more than half of the vote of the eligible voters in the concerned region. If more than half of the voters vote to change the territorial boundary, the vote of the representatives of the region or state concerned is to be obtained. If more than threefourths of the vote of the representatives of the region or state concerned vote to change the territorial boundary of a region or a state, the president, with the consent of the Union Parliament, can change the territorial boundary of a region or state. The convention is to discuss whether such a basic principle should be prescribed. If either the regional or state parliament decide to disagree to change the boundary, the decision of the Union Parliament should be obtained. If more than three-fourths of the total representatives of the Union Parliament vote to change the boundary of a region or a state, the president can change the territorial boundary of a region or state. The convention is to discuss whether such a basic principle should be prescribed.

Mr. Chairman: There is an indication for reasons to appear to change or form boundaries, or change the name of a village, village tract, ward, town, township, and district in a region, state, self-administered division, or self-administered zone. The convention should present suggestions on how to act when the need arises for such a change. This matter to change or form boundaries, or a name change, is solely a regional concern. If a need occurs, the administrative authority of the region or state concern should recommend to the president and the president should take action as needed. The convention is to discuss whether such a basic principle should be prescribed.

Mr. Chairman: A basic principle has been adopted if the need arises to change the name of a region or state by passing legislation with the consent of the citizens residing in the region or state. This basic principle should be included and prescribed in the chapter concerning state structure. The convention is to discuss whether a basic principle should be prescribed if the need arises to change legislation of self-administered divisions or self- administered zones by using similar methods as outlined above.

Mr. Chairman: During the panel discussions by national convention delegate groups, a delegate group suggested a basic principle that the state capital be put under a separate administrative zone and not under the administration of a region or a state. This suggestion should be seriously considered in the discussions concerning the chapter on state structure. Since the basic principle has been adopted regarding the seven regions and seven states in the state structure, if the state capital is to be considered as a separate administrative union zone, then there is a need for it to be included in the basic principles. Although matters relating to the state capital are to be discussed in the state flag, state seal, national anthem, and state capital chapter, there is a need to discuss it in the chapter on state structure. According to international practice, the seat of the central government is considered as the state capital and in some countries,

those capitals are directly governed by either the president or the central government. In Myanmar [Burma], if Yangon [Rangoon], where the central government resides, is considered as the state capital, the delegates should discuss and decide whether to adopt a basic principle to have the administration of the state capital, Yangon, directly under the president as a union zone rather than having it under the administration of the Yangon Region. If the administration of the state capital, Yangon, is put directly under the administration of the president, then there will be basic principles to be discussed in the concerned chapters on legislative, administrative, and judicial powers regarding the capital, Yangon. Moreover, special places like the Cocos Islands Township should be considered as union zones and should be put under the direct control of the president. The convention is to discuss whether such a basic principle should be prescribed. In future, zones with special conditions concerning state defense and security, administration, and economics, should by legislation be put under the direct supervision of the president and should be considered as union zones. The convention is also to discuss whether such a principle should be adopted.

Mr. Chairman: I have presented detailed explanations of basic principles on the chapters on the state and the state structure. Continuing, I would like to present the basic principles on the chapter on the Head of State as prescribed by the National Convention Plenary Session. They are:

- 1. The president is the head of state;
- 2. The president will be elected through the Electoral College.

Based on the prescribed principle that the president is the head of state, detailed discussions on the status, qualities, duties, responsibilities, election by electoral college, term of presidency, and (?accusations and blame), should be made whether such principles should be prescribed. Based on the prescribed principle that the president will be elected through the Electoral College, detailed discussions should be made on the formation of the electoral college, who should be included, and how the president should be elected, whether such principles should be prescribed. I will continue to present some points for discussions concerning the president.

Mr. Chairman: The president, who is the head of state, is a figurehead in some countries while he is just an administrative head in others. In accordance with the basic principles concerning the head of state, the state president of our country will have full administrative powers. The state president, who is like a shining star for the country, should also be a national leader whom the people rely upon. There is a need to fully and precisely specify the qualifications of the president to elect the person who is going to take a very important position in the country. That is why, apart from prescribing the basic principle that the president is the head of state, the convention is also to discuss whether principles should

be adopted on the president representing the state, the president as the national leader of all national races, and the president assuming the paramount position of all national races in the entire Union of Myanmar. Next, I would like to present some suggestions regarding the qualifications of the president. Since the state president is a national leader, the president should be the person who can diligently work for the nondisintegration of the union, nondisintegration of national solidarity, perpetuation of national sovereignty, and the wellbeing and development of the country. The president should also be well versed in state matters like politics, administration, economics, and military and be able to make experienced, effective, and concise decisions. Therefore, the basic qualifications of the president should be prescribed as another basic principle. Moreover, the president, who will be leading the country, should be especially loyal to the state and the people. Thus, another basic principle should be adopted citing the president to be loyal to the country and the people.

Mr. Chairman: Studies show that constitutions of most countries clearly state that the person who is to be president should be born of two parents who are citizens of that country. The Constitution of the United States of America requires that the U.S. president be born to two parents who are U.S. citizens, must attain a minimum age of 35 years, and reside in the United States for at least 14 years.

The Constitution of the Philippines states that those running election as president of the Philippines should be a Philippine citizen born of two parents who are Philippine citizens. The Constitution of Indonesia that those running for election as president of Indonesia should be an Indonesian citizen born of two parents who are Indonesian citizens.

Mr. Chairman: The constitutions of some countries clearly state that the place of birth of the person running for president should be within the concerned country. In our country, too, the basic principle on the citizenship of the president should be adopted such that the person running for president and their parents should be citizens born within the legal boundaries of the country. Regarding age limits of presidents, the Constitution of Bangladesh stipulates that the minimum age of the president should be 35 years old, according to the Constitution of the People's Republic of China the president should be more than 45 years old, according to the Constitution of Egypt the age of the president should not be less than 40 years old, the Constitution of India stipulates that the president must be older than 35 years, and the Constitution of Pakistan requires the president to be at least 45 years old.

The president should have rich experience in the political, adminsitrative, economic, and military affairs of the country. The person elected as president should be at least 45 years old. Therefore, the delegates are to discuss whether to lay down a basic principle prescribing that the president should be at least 45 years old. Furthermore, in

addition to meeting the requirements for running in the parliamentary elections, the president should meet separate qualifications set for the president. Similar provisions can bee seen in the state constitutions of Bangladesh, the PRC, India, Pakistan, the Philippines, and Sri Lanka.

Article 49-B of the 1947 State Constitution of the Union of Myanmar stipulates that no person is be eligible for election to the office of president unless he or she is qualified for election to the Parliament. Therefore, discussions should be held to prescribe separate qualifications in addition to qualifications for contesting in parliamentary elections.

The constitutions of some countries contain provisions on continuous length of residence in the country. As the president is the national leader and the head of state, it is necessary for the president to be well-informed on political, administrative, economic, social, and indigenous national affairs to provide effective leadership to the nation. Therefore, a basic rule should be made to stipulate that the president should have continuous residence for at least 20 years prior to the time of election as president.

Mr. Chairman: Myanmar was under the servitude of the British imperialists for over 100 years because of traitors, and the people suffered a bitter experience. Furthermore, there were instances after independence when the nation's independence and sovereignty were almost lost because of these traitors and the Defense Services had to defend the nation in time. Therefore, the president, who is to serve as the national leader and the head of state. should have allegiance to the nation and citizens. To ensure that the people have full trust in the president without any suspicion, it is especially necessary for members of the president's family to have allegiance to the nation and citizens. Therefore, the president himself, one of the president's parents, the spouse of the president, any one of the president's legal children, and the spouse of any one of the president's children must not owe allegiance to a foreign power, not be the subject of a foreign power nor be a foreign citizen. Especially, they must not be entitled to the rights and privileges of a subject of a foreign power or foreign citizen.

Mr. Chairman: Section 1-A of Article 74 of the 1947 State Constitution contains the provision to prevent foreign interference in our internal affairs. It states that any person who is under any acknowledgment of allegiance or adherence to a foreign power, or is a subject or citizen or entitled to the rights and privileges of a subject or a citizen of a foreign power shall be disqualified for being chosen as and for being a member of either chamber of Parliament. Similar provision is included in Article 10-E of the 1989 Parliamentary Election Law.

Therefore, a basic principle should be laid down on qualifications for the president as I have presented above. Other qualifications can be also added.

Mr. Chairman: All tasks, other than legislative and judicial affairs, concern administration. The president is to carry the heavy burden as the national leader, head of state, and chief executive. A basic principle has been laid down to elect the president through an electoral college. Therefore, discussions should be held on organization of the electoral college and procedure for electing the president.

It is found that when an electoral college is formed the country's history, political affairs, and other conditions are taken into consideration. Among the countries that practised the election of a president through an electoral college are the United States, Indonesia, India, and Pakistan. These countries elect their presidents through the electoral college, which was formed under the constitution according to the concrete conditions in their countries.

Mr. Chairman: We are to elect a president according to our country's course of history and political and other conditions and the six objectives of the National Convention. The electoral college does not have to be elected separately, but it can be prescribed that all members of the Union Parliament are members of the electoral college, which should be divided into three groups. The first group will be formed with representatives of the parliament made up of equal number of representatives from regions and states. The second group will be formed with representatives of the parliament elected on the basis of population. The third group will be formed with representatives from the Defense Services from the two parliaments mentioned above and who are nominated by the commander in chief of the Defense Services.

As our president will be a national leader as well as the chief executive, the responsibility of the president is huge. Many countries elect deputy chief executives to assist the chief executive in his work. Likewise, we should appoint vice presidents to assist the president in our country. Therefore, the three groups in charge of electing the president should first select vice presidents from among the members of parliament or those who are not members of parliament.

The vice president is a potential president. Therefore, a body composed of the heads and deputy heads of the Union Parliament and the two parliaments will clear candidates to see if they meet the qualifications set for president. Members of the electoral college or members of the Union Parliament are to cast a vote to elect the president out of the three vice presidents. The person who receives the most votes becomes the president. Suggestions should be made on whether this method should be adopted.

If this system is practiced, we will have a president and two vice presidents in our country, and they will be able to effectively carry out their duties. It will be also necessary to lay down a basic principle to enact a law necessary for election of the president. After the president and vice presidents are elected, matters concerning these persons, such as tenure of office, oath of allegiance, salary and privileges, responsibilities, liaison with the Union Parliament, and impeachment of president and vice presidents should be considered.

Mr. Chairman: Our country plans to practice the administrative system with president as chief executive. Hence, it will be necessary to stipulate the suitable term of office for the president and vice presidents to enable them to discharge their duties effectively. Limitations on terms of office should be also considered.

I would like to present constitutional provisions in some countries that stipulate limitations on term of office for the president. Under the PRC Constitution, the term of office for the president is five years and only two consecutive terms of office are allowed. The term of office for president in Egypt is six years, and there is no limit for right to reelection. The term of office for president in Indonesia is five years, and there is no limite for right to reelection. The term of office for president in India is five years, and there is no stipulation on reelection. The term of office for president in Pakistan is five years, and there is no more than two consecutive terms of office. The term of office for president in the Philippines is six years, and reelection is not allowed. The term of office for president in Sri Lanka is six years, and the term of office is limited to two consecutive terms. The term of office for president in the U.S. is four years, and reelection is limited to two terms. We are to consider the suitable term of office for the presidency in our country.

We are to work very hard for the country's economic, administrative, and social affairs to catch up with other countries. Therefore, term of office of president and vice presidents should be five years to allow time to carry out the tasks that benefit the nation and the people. Discussions should be held to consider whether a basic principle should be laid to allow the president and vice presidents to serve until the new president is elected and to limit the term of presidency to two terms.

Furthermore, discussions should be held to consider whether to lay down a basic principle stipulating that the person replacing the vacant position of the president or vice president is to serve until the end of the original term of office.

Mr. Chairman, I have already explained the election of the president and vice presidents by the electoral college, as well as the requirements for the offices of president and vice president. One point should be taken into consideration in electing a member of parliament as president or vice president: the convention put forward a principle on the separation of executive, legislative, and judicial powers. Therefore, if a member of parliament were to be elected president or vice president by the electoral college, it would contravene the principle of separation of the three state powers. Furthermore, the president and vice presidents are national leaders who

should work for the national interest rather than political parties. They should not have to be involved in the affairs of their political party.

Section 1, Article 47 of the 1947 Constitution states that the president cannot be a member of either chamber of parliament. Section 2 states that if a member of either chamber of parliament is elected president, they will be deemed to have vacated their seat in that chamber. Therefore, neither the president nor the vice presidents will be members of parliament. If the president or vice presidents are either members of parliament or public servants, they will be deemed to have resigned or retired from that position upon the date of their election to office. If the president or vice presidents are members of a political party, they will cease their involvement in the affairs of that political party upon their election to office. A basic principle to this effect will have to be discussed.

Mr. Chairman, the president and vice presidents have to take the oath of office before assuming their positions. The president and vice presidents can only perform their duties after they have been sworn in before the members of the Union Parliament. Constitutions usually contain provisions on how the oath of office will be administered to the president and vice presidents. Therefore, discussions should be held and suggestions presented regarding the oath of office for the president and vice presidents.

The president and vice presidents have to shoulder the heavy burdens of the state. As such, they wield power. There should be a prohibition against organizations influencing the president or vice presidents by giving them salaries or positions. Therefore, discussions should be held on whether there should be a basic principle forbidding the president and vice presidents from accepting salaries and positions from outside organizations.

Mr. Chairman, the president is fully empowered as chief executive. The vice presidents will have to discharge heavy duties. As such, they should have the respect of the people. Discussions should be held on a basic principle requiring the president and vice presidents to declare their family assets—such as land, houses, buildings, economic enterprises, savings, and other valuables—to the head of the Union Parliament.

The president and vice presidents should be entitled to salaries, allowances, and privileges as prescribed by law. Furthermore, they should have appropriate official residences. Therefore, discussions should be held on whether to lay down a basic principle outlining the salary, allowances, privileges, and official residences of president and vice presidents.

The rights and responsibilities of the president and vice presidents will be included in the constitutional provisions and other laws. Therefore, a basic principle should be laid down on the rights and responsibilities prescribed by the constitution and other laws for the president and vice presidents.

Mr. Chairman, so far I have explained the election of the president and vice presidents as well as some of the president's responsibilities.

Although executive, legislative, and judicial powers will be exercised separately, there should be legal provisions for checks and balances. It is necessary for the president—who is the chief executive—and the vice presidents to conduct themselves in a manner befitting their positions. Basic principles should be laid down for impeachment procedures against the president and vice presidents if they commit a breach of conduct.

Under the U.S. Constitution, the president and vice president can be impeached for betraying their country, corruption, and other serious offenses, as well as a breach of conduct. The Bangladesh Constitution provides for the impeachment of the president for violating the Constitution or misconduct. Impeachment requires that a minimum of three quarters of the signatures of the members of parliament be submitted to the parliamentary president. The Egyptian Constitution provides for an impeachment motion against the president for betraying the country or any other offense. Such a motion requires the support of a minimum of one third of the members of parliament. Impeachment cannot proceed if the motion is not approved by two thirds of the members of parliament.

Discussions should be held on laying down a basic principle providing for the impeachment of our president and vice presidents for any of the following offenses: betraying the country; violating constitutional provisions; or misconduct.

Procedures for impeaching the president and vice presidents should also be considered. In order to bring impeach proceedings against the president or vice presidents for one or all of the offenses I have mentioned, the signatures of at least one quarter of the members of one of the chambers of the Union Parliament must be obtained and submitted to the head of the parliamentary chamber concerned. The impeachment procedure can continue only if it is supported by at least two-thirds of the members of the parliamentary chamber concerned. An impeachment motion submitted by one parliamentary chamber will be investigated by a team from the other. The president, vice presidents, or their representatives will have the right to make a defense.

Once the charges have been investigated, if at least two-thirds of the members of the parliamentary chamber that investigated the charges or that caused the investigation decide that the charges are correct and that the offense makes the president or vice president unsuitable to carry out their duties, the parliamentary chamber will make a submission to the head of the Union Parliament to terminate the accused president or vice president's term of office. As soon as the submission is received, the head of the Union Parliament will announce the accused president or vice president's termination from office. Basic principles to this effect should be discussed.

The president and vice presidents are national leaders as well as heads of state. Other than impeachment conducted according to constitutional provisions, the president and vice presidents should be protected from being sued during their terms of office. Only if such protection is given will the president and vice presidents be able to discharge their duties courageously. Therefore, other than the president and vice presidents being impeached according to constitutional provisions, they should be protected from being sued during their terms of office, and a basic principle to that effect should be discussed.

Mr. Chairman, the president and vice presidents should be allowed to resign before their term of office expires if they so wish. A basic principle should be laid down to deal with a situation whereby the presidency becomes vacant because the president resigns from office, dies, becomes permanently disabled, or any other reason before the term of office expires. If the presidency becomes vacant, an acting president should be chosen to continue the work of the president. The acting president should be whichever one of the two vice presidents received the second highest number of votes in the presidential elections.

If there is a vacancy in the presidency, a new president will need to be elected. If a vacancy develops while the Union Parliament is in session, the acting president should inform the head of the Union Parliament as soon as possible so that the vacancy can be filled within seven days. When this information is received, the head of the Union Parliament should take the necessary steps for the electoral panel to choose a new vice president. When the respective electoral panel has chosen a new vice president, the Union Parliament members should elect a new president as they see fit from among the three vice presidents. If a vacancy arises when the Union Parliament is not in session, the head of the Union Parliament should convene a special parliamentary session within 21 days of receiving the information from the acting president and carry out the above-mentioned process of choosing a new president. Therefore, appropriate discussions should be held by the delegates to lay down a basic principle on the election of a new president when a vacancy arises.

Mr. Chairman, I would like to make some basic suggestions on electing a new vice president if a vacancy occurs because one of the vice presidents resigns from office, dies, is removed from office before their term of office expires, becomes permanently disabled, or any other reason. If the position of vice president becomes vacant while the Union Parliament is in session, the president should inform the head of the Union Parliament as soon as possible so the electoral panel can fill the vacant office within seven days. If a vacancy arises when the Union Parliament is not in session, the head of the Union Parliament should convene a special parliamentary session within 21 days of receiving the information from the president, so that the electoral panel can elect a new vice president. Thus, the delegates should deliberate on

whether to prescribe a basic principle on the election of a new vice president if a vacancy arises.

Mr. Chairman and National Convention delegates, the presentations I have made on the chapters concerning the state, the structure of the state, and the head of state are just some suggestions for the delegates to consider in trying to prescribe the basic principles. When presenting suggestions for adoption as basic principles, the delegates should present them separately in accordance with their respective chapter headings, just as I have done. I have presented some abstracts of the facts the National Convention Convening Work Committee studied concerning the chapters on the state, the structure of the state, and the head of state, so that the delegates will have a wider scope in their discussions on proposing basic principles. If there are any suitable and appropriate additions to be made, the National Convention delegates should do so in accordance with the six National Convention objectives, the previously-prescribed basic principles, and the National Convention convening procedures. The National Convention delegate groups, after studying my suggestions, will begin panel discussions on 21 January regarding the chapters on the state, the structure of the state, and the head of state. It is requested that they present a paper compiling their chapter-by-chapter suggestions to the work committee in accordance with the National Convention convening procedures.

I thus conclude my address. [applause]

Tin U on Rule of Law, Local Tranquillity, Crime BK2201135194 Rangoon Radio Burma in Burmese 1330 GMT 21 Jan 94

[Excerpts] Lieutenant General Tin U, secretary 2 of the State Law and Order Restoration Council [SLORC], met and delivered an address on matters concerning the rule of law, local tranquillity and stability, and the reduction and eradication of crimes to the members of the Yangon [Rangoon] Division's district, and township law and order restoration councils; responsible personnel from the departments under the Home Ministry and the People's Force Headquarters; regional commanders, responsible personnel of the Yangon City Development Committee [YCDC], judges from divisions, districts and townships, and legal officers at the meeting hall of the YCDC at 1300.

In his address Lt. Gen. Tin U cited and explained Prime Minister Senior General Than Shwe's directive and guideline on administrative mechanism in detail. He said responsible personnel should not perform their jobs as usual during the revolutionary period in which the old system and era are being dismantled and a new system and era are being built in the country. Responsible personnel have to exert more effort in order to carry out their work and responsibilities with sharp and innovative minds, and with diligence and perseverance. He continued that the dignity of the people and the nation will be affected if Yangon City becomes dirty and there

is an increase in robbery, muggings, pickpocket incidences, and other illegal activities. All of these activities run counter to the character of the city and result if there is a breakdown in the rule of law. That is why Yangon is being renovated from all sides to retain the character of the city. Moreover, it is very important to have discipline, to observe laws, and to establish local tranquillity effectively and efficiently.

He also said there is a serious need for state employees from various public service organizations to understand the political situation during the change of system and era. They must also understand that they should use their authority, bestowed on them by the state, in a proper way and not to abuse their power. [passage omitted on objectives of law and order restoration council in various regions].

He continued that the SLORC will effectively prevent and defend any form of action that can cause the disappearance of rule of law and that will allow anarchy to prevail in the country. Law and order restoration councils have to take a leading role to implement local ty/ty and ensure the prevalence of rule of law in the respective regions. All public service organizations have to cooperate and work together to the benefit of regions and localities.

He added that there is need to take effective action against those public service organizations which do not cooperate with others. The law and order restoration councils at ward level are basic administrative organizations; therefore, these councils should be supervised with the help of ward leaders in order to carry out their work honestly, bravely, and without corruption. He said the state administrative mechanism must be effective and efficient to establish a peaceful and modern country. It is also very important for the administrative mechanism to become an instrument which can support the all-around development of the country. He noted that it does not matter how good the systems and ideas to be practiced are if people disobey the law and have no discipline. This results in a lack of development for the country and the country then will face the greater danger of being wiped from the world map.

He said the SLORC, for the long-term benefit of the state, is taking effective action against criminal acts that can destroy local ty/ty. He also warned that effective action will taken against public service personnel, who conduct themselves badly, and without any discrimination. In conclusion, he said various levels of law and order restoration councils in the respective regions have to take a leading role and supervise their areas bravely and properly for the development of the country and for peace and stability. He said the departments have to coordinate and cooperate amongst each other without employing discrimination as they carry out their responsibilities. He said responsible personnel have to disclose the names of those who take bribes from criminals and take effective action against them. He also reminded responsible personnel not to punish innocent people by

mistake when handing down sentences to prevent the crimes. He urged responsible personnel to work hard to become a person who is respected by the people. He also told them to avoid accepting all gifts and bribes. [passage omitted on similar speeches by Lt. Gen. Mya Thinn, minister of home affairs; and Lt. Gen. Myo Nyunt, chairman of Rangoon division LORC] The meeting ended at 1500.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Reportedly To Attend Nov APEC Session

BK2101132794 Jakarta ANTARA in English 1217 GMT 21 Jan 94

[Text] Jakarta, Jan 21 (OANA-ANTARA)—Malaysian International Industry and Trade Minister Rafidah Aziz has ensured the presence of Prime Minister Mahathir Mohamed at the next meeting of the Asia Pacific Economic Cooperation (APEC) forum to be held in Indonesia in November this year. After a meeting with Indonesian Trade Minister S.B. Judono here Friday, Minister Rafidah Aziz said Prime Minister Mahathir will surely attend the next informal meeting of the leaders of the APEC member countries.

Like the ASEAN Free Trade Area (AFTA), both APEC and the East Asia Economic Caucus (EAEC) are expected to boost cooperation among nations, including those in the ASEAN region, she said.

Economic ministers of the ASEAN member countries will also hold a meeting in Kuala Lumpur in April 1995 to discuss a long term program of the organization which groups Malaysia, Indonesia, Singapore, Thailand, the Philippines and Brunei Darussalam, she said. The Kuala Lumpur meeting, according to Minister Rafidah Aziz, is expected to also discuss the Uruguay Round of GATT (General Agreement on Trade and Tariffs). ASEAN has a common interest in the results of the agreement, she said.

The Malaysian minister said that during the meeting with her counterpart, Trade Minister S.B. Judono, both sides agreed to sign an agreement on investment guarantee on Saturday (January 22) and to amend the previous trade accord between the two countries. Trade relations between the two countries have been running smoothly so far, she said.

Meanwhile, Minister Judono said there is always a possibility of accelerating the implementation of the Common Effective Preferential Tariff (CEPT) from 15 years to 10 years as Malaysia has suggested. However, he said "We should first implement what was agreed upon by the ASEAN member countries last year and see how the progress is."

Indonesia's exports to the neighbouring country include tobacco, paper, vegetable oil, coal and textiles, while its imports among other things are steel, chemical substance and machinery.

The total value of the bilateral trade in 1992 reached about one billion dollars, with a deficit of 37 million US dollars for Indonesia.

During the first semester of last year, Indonesia recorded a trade surplus from its exports worth 326.3 million dollars to Malaysia, while its imports worth only 198.8 million dollars.

Albanian President Arrives on Official Visit

BK2401054594 Kuala Lumpur BERNAMA in English 0413 GMT 24 Jan 94

[Text] Kuala Lumpur, Jan. 4 (OANA-BERNAMA)—Albanian President Dr. Sali Berisha arrived here Monday to begin a four-day official visit to Malaysia. Dr. Berisha and his wife were met on arrival at the Kuala Lumpur International Airport by Prime Minister Dr. Mahathir Mohamed and his wife Dr. Siti Hasmah Mohamed Ali, Minister of Foreign Affairs Abdullah Ahmad Badawi, and Eduation MInister Dr. Sulaiman Daud, who is also the minister-in-attendance.

Dr. Berisha's visit, to reciprocate the one made to Albania by Dr. Mahathir last July, was aimed at enhancing political, economic, and technical ties between the two countries.

He is heading a 14-member delegation which includes the Albanian minister of industry and commerce, Selim Betortaja, and Deputy Foreign Minister Arian Starova.

Malaysia and Albania established diplomatic relations last year and under an agreement signed in August, citizens of both countries did not require a visa for visits not exceeding three months in duration.

While here, Dr. Berisha will hold discussions with Dr. Mahathir, attend a briefing at the Economic Planning Unit (EPU) of the Prime Minister's Department, and also visit several projects, including the Proton Saga plant in Shah Alam. He will also witness the signing of several agreements between Malaysia and Albania.

Albania, in southeastern Europe, is bordered by Montenegro on the north, Macedonia on the east, Greece on the south, and the Adriatic Sea on the west.

It occupies an area of 28,748 sq. kilometres and has a population of 3.2 million, 70 percent of them Muslims.

Mahathir, Albania's Berisha Meet

BK2401142794 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 24 Jan 94

[Text] Prime Minister Dr. Mahathir Mohamed and Albanian President Dr. Sali Berisha held bilateral talks in Kuala Lumpur this afternoon. Prime Minister Mahathir offered to share Malaysia's experience in privatization to assist Albania in developing its free trade zone. Albania has also embarked on a privitization program of its state-owned enterprises.

According to Foreign Minister Datuk Abdullah Ahmad Badawi, during the two-hour meeting at the Prime Minister's Department, President Berisha extended an invitation to Defense Minister Datuk Sri Najib Tun Razak to visit Albania. The aim is to let him study the possibility of promoting bilateral defense cooperation.

Responding to a newsmen's question on whether or not Malaysia will use Albania as a gateway for exports of its goods to other parts of Europe, Datuk Abdullah said:

[Begin Abdullah Ahmad Badawi recording] First, we must study in detail the taxation system in that country and if we think that it is suitable and can serve our purposes, perhaps we can use Albania as a gateway for our goods to enter the European markets. [end recording]

In another development, Malaysia and Albania today signed five agreements to promote closer ties between the two countries. The agreements include trade cooperation; investment guarantees; avoidance of double taxation; and cooperation on economy, science, and technology. The signing ceremony was witnessed by Prime Minister Datuk Sri Dr. Mahathir and the Albanian president, Dr. Sali Berisha, who is on a four-day visit to Malaysia.

King Hosts Banquet for Berisha

BK2501042794 Kuala Lumpur BERNAMA in English 0341 GMT 25 Jan 94

[Text] Kuala Lumpur, Jan. 25 (OANA-BERNAMA)— The international community is taking too long to act against the blatant aggression by Serbia on Bosnia-Herzegovina, Yang Di-pertuan Agong (the Malaysian king) Sultan Azlan Shah said Monday.

For too long, the international community has failed to act against the blatant aggression by Serbia on the independence, sovereignty, and territorial integrity of Bosnia-Herzegovina and the atrocious violation and abuse of human rights of the Bosnian people, he said at a state banquet in honour of visiting Albanian President Dr. Sali Berisha at Istana Negara (the palace) here. He said there was no excuse, whatsoever, not to act against the Serbs to end the violence and suffering of an entire nation and people and to restore peace and stability in that region.

His majesty said although Malaysia and Albania were far from each other geographically, Malaysians were well aware that the ugly conflict and ethnic cleansing occurring in Bosnia-Herzegovina cast a long and dark shadow over Albania and the entire Balkan region.

We understand and share your anxiety and concern on a possible spillover of the war into Albania, threatening

your peace and stability. Indeed the tense situation in Kosovo is also of grave concern, he said.

Berisha, in his speech, praised Malaysians for their generous political, technical, and economic assistance to Albania and added that Malaysia was among the first countries to offer help after Albania decided to adopt an open policy.

He said Prime Minister Dr. Mahathir Mohamed's visit to Albania last year opened a new and important page in the relations between the two countries and in strengthening the friendship between their peoples.

The friendly relations and cooperation with Malaysia were of special importance to Albanians, he said.

Indeed, our two peoples and countries, though located far apart geographically, are always closer with their feelings and hearts. This, first of all, because of the historical spiritual links and of the common values they share, he said.

Berisha said both countries with a Muslim majority were characterised by the religious pluralism and at the same time by the religious harmony.

Berisha also praised Malaysia for its great concern about the situation in the Balkans as well as its efforts through political activity and participation in the peacekeeping forces in the region in order to provide a solution for the crisis.

Singapore

Prime Minister, Delegation Leave for India

BK2301113894 Singapore Singapore Broadcasting Corporation in English 1100 GMT 23 Jan 94

[Text] Prime Minister Goh Chok Tong left for India this evening on an official visit. He has been invited by India's Prime Minister Narasimha Rao as the chief guest at his country's Republic Day celebrations on Wednesday. Mr Goh's weeklong visit will cover New Delhi, Bangalore, and Bombay. He is accompanied by Mrs. Goh, Foreign Minister Professor S. Jayakumar, Trade and Industry Minister Yeo Cheow Tong, and Minister of State for Trade and Industry Goh Chee Wee.

During the visit, bilateral agreements on tourism, shipping and the avoidance of double taxation will be signed. In Bangalore, Mr. Goh will launch the Singapore-India Information Technology Park.

A delegation of 37 Singapore businessmen is also accompaying the prime minister. While Mr. Goh is away, Dr. Yeo Ning Hong will be acting prime minister and Deputy Prime Minister Brigadier-General Lee Hsien Loong will be in (?Mindanao).

Air Force Receives Four Fokker-50 Aircraft

BK2401123494 Singapore Singapore Broadcasting Corporation in English 1100 GMT 24 Jan 94

[Text] The Republic of Singapore Air Force [SAF] has acquired four Fokker-50 aircraft. They are to replace a fleet of 20-year old Skyvans which have been gradually phased out. MinDef [Ministry of Defense] said the Fokker-50s are capable of carrying a heavy load and flying longer non-stop distances. They will also be modified to extend flying time and fuel endurance by an additional four hours. The new aircraft were unveiled at Changi airbase today during a visit of the Acting Prime Minister and Defense Minister Dr Yeo Ning Hong to the Changi airbase. It is a part of his regular visit to the SAF units.

Cambodia

Ranariddh Speaks on Economic Situation 23 Jan

BK2401100994 Phnom Penh National Radio of Cambodia Network in Cambodian 0300 GMT 24 Jan 94

[Speech by First Prime Minister Prince Krompreah Norodom Ranariddh in Kampot Province on 23 January—recorded]

[Text] Concerning Cambodian territory, as his majesty has already mentioned, no one can divide it. There must be only one Cambodian territory within the territorial integrity recognized since 1962. It is indivisible. However, as all of you know, I came here on my provincial tour to look at the overall situation and especially to see if there is potential for boosting our economy, because up to the present our national budget has proved to be insufficient if we are to rely only on taxes. The national income in 1994 is just \$280 million and that is not enough. The tax money will run out soon. The bulk of our budget comes from international aid. So, if we Cambodians only rely on taxes and international aid, we will experience great difficulties one day. As I said, the budget of 1994 is not sufficient. We need to attract as much foreign investment as possible.

I and His Excellency Second Prime Minister Hun Sen together with the government delegation recently visited China. We saw great prosperity in China. China claims to be a communist state but in reality it is communist only because it still adorns itself with red flags. Besides that, there is nothing communist about China. It is very, very prosperous. For this reason, my wish is to see our people's living standard improve. We are poor but we have so much natural resources. We should let others come in to exploit them. To attract investors into our country, there must be four main factors, as the Chinese have just told me.

First, there must be political stability and security. We could form our royal coalition government because all major parties listened to the correct advice of our

venerated king. So, we have been united and this has led to a degree of political stability. As for the Khmer Rouge problem, I have already said that we must settle it peacefully. However, if the Khmer Rouge refuse, what can I do? One day the national assembly and the royal government would blame me, Ranariddh, for that. But I have tried and I must continue to try.

There is another kind of stability. I would like to take this opportunity to deal with the important issue of staging demonstrations. This issue is closely related to human rights. The government, the constitution strictly stipulates respect for human rights. At the same time we all recognize that the Kingdom of Cambodia is a legal state, a state that abides by the law. Everything must be undertaken within the legal framework. For example, there is the press law, the law on holding demonstrations, and the law on staging strikes. These laws are respected in all developed countries, such as the French Republic which has professed democracy since 1789, the United States, and Germany. As far as democracy is concerned, these countries are very developed. Still, they are under the law. Having laws does not mean that freedom and human rights are stunted. Guarantees for democracy and human rights can be made through laws. Respect for laws guarantees democracy and legality. Therefore, the people are asked to please be more understanding. We do not forbid you from staging demonstrations and strikes. Before reaching the stage of demonstrations and strikes, however, there are many other solutions. The royal government is here to help you solve your problems. Moreover, everything should be made within the legal framework. If we stray from the legal framework, I am afraid the Khmer Rouge might take the opportunity to instigate unrest. I am not going to detail the possible dangers of staging demonstrations, but if there are some disturbances, what should our authorities, our royal government do? They would have to react. If this happens, one thing that you want—that is, democracy—will surely be hurt. So, I beg you to have pity for the nation. It does not mean that we are not trying to solve these problems for you. The royal government has the duty and obligation to solve all kinds of problems.

Second, if there are endless demonstrations, those who want to invest in our country, and there are many who do, would be frightened away. The investors have made me understand that they are most afraid of endless demonstrations in our country. They do not believe we have achieved political stability. If we do not have political stability, they will not come to invest in our country. We would remain poor and then where would we get the money to improve our lot? Therefore, if we want to have sufficient schools, hospitals, and medicine and prosperity for the people, we should make them come in to invest, to open many factories, and to create as many jobs for our people as possible. Thus, we must never frighten them away. They are very afraid of the volatile situation in Cambodia. They are afraid of the unrest in our society more than the Khmer Rouge. This is a fact.

Since we are talking about social stability, let us also mention the issue of contracts with the former State of Cambodia. If there is perpetual revision of these contracts, no one will have any trust in the future ones. They have said that just a few demonstrations were sufficient for us to revise contracts. I am not saying that we must not improve on them. We must make arrangements to improve on them, but let us not give potential investors the feeling of uncertainty about the future of contracts. Do not make them live in doubt about whether we are going to revise their contracts. The investors are most worried about the safety of their investment of hundreds of millions of dollars.

I also would like to take this opportunity to tell you about the Olympic market problem. In my capacity as the first prime minister, I would like to promise that I will do my best to solve this problem without harming the interests of both the businessmen and the poor. Nevertheless, to solve problems one needs to be understanding and compromising. It is not possible to let one side win 100 percent and another side to lose 100 percent. We cannot permit one side to make excessive profit at the expense of the other, and vice versa. Statemanship, his majesty the king told me, is different from demagogy. I am a statesman and not a demagogue. I would prefer not to compete with demagogues. I would rather resign. Those who advocate statesmanship cannot compete with those who advocate demagogy. The people are asked to please understand that. Our government is not even three months old yet. That is what China called political and social stability.

The second factor, according to the Chinese, is cheap labor. We have plenty of labor in Cambodia. At least 2,000 young students graduate every year and they have nowhere to go. The problem is brewing here too. We must find jobs for them. So, we have plenty of labor and our labor is as cheap, if not cheaper than China's.

The third factor is real estate. Our land is still cheap compared to Hong Kong. We can solve this land problem despite the fact that there are many land speculators. We must correct this land situation. No one should be allowed to grab land at will. The state should impound state land. If we do not do this, we will not have land for foreign investors to come in and invest their money. This does not mean that we sell land to them. This does not mean that we Cambodians are less nationalistic than the likes of Messrs. Deng Xiaoping, Jiang Zemin, and Li Peng. The Chinese are doing what they are doing for the common interest of their nation. We must imitate them. Therefore, I beg those who are occupying land illegally to please return it to the state so that the state can grant it to investors for them to build factories on. The brothers who are living in poverty will then be given land to live elsewhere by the state and they will have jobs. They will therefore enjoy a better future.

The fourth factor is profit sharing. Investors should be given at least a 20 percent profit. That is in China. In our country a 20 percent profit seems very small because

investors are not certain of their future here. Only when they see that they might gain more than 20 percent will they invest in our country. It is simple. We have no money at all and we want them to come in with their investment money. If they do not make profits they will not come.

You might want to ask me what our state will get out of it. The other day, I was told by the Chinese that our state would get a lot. We would have factories, for one thing. If they build factories in our country, where will these factories go? Where will the machinery in these factories go? In 10 years, 15 years, or 20 years they will become ours. And to say that we have not built them ourselves. We now have no jobs and we are so miserable but we will have jobs and will be better off. Workers in Chinese factories are paid much better than state officials. What I wish to have most is jobs. We will be able to levy taxes and collect rents. The big profits we will make will be in 15, 20, or 30-year contracts. A hotel named [words indistinct] from Hong Kong and America built in Guangdong where I and His Excellency Hun Sen were staying was under a 50-year contract with China. The Chinese are not afraid to go into a 50-year contract and will you say that the Chinese are less patriotic than we are? Not at all. They do virtually everything for the survival of their nation and for their economic development. China's economy is the hottest in the world and I wish Cambodia's is like that.

Just going around saying that we need to take from the rich and give to the poor is make believe. It is like Zorro in the movie. You know Zorro with the black mask in the movie. That kind of economy goes nowhere. So, I would refuse if I am asked to go into a contest for demagogy. Statesmanship has a different language from that of demagogy. Four or five years from now, maybe, it will be alright for us to practice demagogy for the elections. But now our problems are that we have no rice to eat and our people have no medicine and no schools.

The same thing can be said of the call for pay raises. I would like to ask those who have demanded pay raises whether the budget of our Economy and Finance Ministry can absorb all those adjustments? We have only \$280 million now. When we no longer get international aid, where will we get the money for the raises? There can be raises only when our national budget amounts to \$1 billion, \$2 billion, or \$3 billion and not \$280 million as it is now. Where can we get the extra money? [Words indistinct] but what we need is social and political stability so that other countries can come in and invest in tourism, where our ancestors left us with the world's unique wonder of Angkor Wat; in agriculture such as rubber, of which we can exploit only 50,000 hectares and need to plant an additional 150,000 hectares, and also in new crops. In the past, under Sangklum Reas Niyum [Sihanouk's pre-1970 ruling party], we exported as much as 800,000 metric tons of rice. We exported 800,000 metric tons of rice in 1970. Ironically, we are short of rice now. Those of you who are patriots are begged to please stay around the royal government and help it

solve the agricultural problem which is a major issue, an issue of our livelihood. We all must work to get investments and factories.

As you know, in 1997 Hong Kong will be closed. Many countries around us want to come here. If we are not careful, let me tell you, investors will surely flock to Vietnam instead. Vietnam is enjoying stability and it is badmouthing us by telling everybody not to come to Cambodia because there are demonstrations everyday and the Khmer Rouge continue to be intractable. Why do you want to go to Cambodia, they say. Come to Vietnam where there are neither demonstrations nor the Khmer Rouge. Come and invest in Vietnam. In Cambodia you have to pay 30 percent in taxes, but in Vietnam you only pay 10 percent.

I beg all of you to be understanding. Some have claimed that they cannot sleep. Me too, I cannot sleep at night. We are poor and we need to find ways to get money. We are getting very little aid. Do you know that when I went to China, that China gave us an interest-free loan of only \$8 million? That is not much. Besides that, China only asked us to go into joint ventures in the PRC. There is neither much bilateral aid nor much multilateral aid. So, we must seek ways to increase our own resources so that we will earn important national capital. In the meantime we must allow other countries to invest here. As I have said, the main factor needed in our country is stability.

So, in conclusion I beg of all of you for pity and understanding. This does not mean that Ranariddh forbids demonstrations. I would like to stress again and again that so long as I remain first prime minister of the royal government, I pledge that I will always respect human rights and your right to stage demonstrations and strikes. The first thing I ask from you is that you should stay within the legal framework and behave yourselves like those in developed, civilized, countries. The second thing is that you should kindly rely on the royal government and let it take care of your problems first. You can stage demonstrations within the legal framework only after it fails. You should not forget that people are watching us. Since 23 October 1991, since the general elections, and since the formation of the royal government and the return of the constitutional monarchy, as his majesty has said, we have entered a new era, an era of independence, territorial integrity, and full sovereignty and an era in which we are making efforts to develop the nation in all fields. That is all. I come here with all their excellencies and not just for rest and recreation at Kep. I have to take a look there because it is a tourist site we must promote. It is not for tourism only because I know that China needs coconuts. Their coconut factories are extremely successful. They are selling coconut milk all over the world but they need 300 million coconuts every year. Their Hainan island can produce only 100 million coconuts and they have to import 200 million from Vietnam. I came here to see whether Kampot Province could sell coconuts to China. [applause]

I would like to inform you that Thailand is very successful in raising shrimp for export. I came here also to see whether we can be like the Thais. If they can do it, we can do it. There should not be much difference between us. Thank you.

Minister Rangsi Set To 'Eliminate' Bad Investments

BK2501090894 Phnom Penh PHNOM PENH POST in English 19 Nov-2 Dec 93 p 16

[Article by Nate Thayer: "New Banking, Forex and Investment Laws by '94"]

[Text] The promise by Cambodia's new government to fundamentally transform the economy is sending shudders through the investment community. Some contracts with foreign investors signed with the previous administration are likely to be canceled amid charges that the government is motivated by political revenge.

Senior government officials are embarking on a sound policy to eliminate the remnants of Cambodia's previously-centralized economy, analysts say, after a new leadership trained in the West has taken control of virtually all key financial and economic portfolios in recent weeks. The new government, announced earlier this month, turned over most of the financial and economic policy portfolios to the Royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party.

Many of the new ministers and economic policy advisors recently returned from exile in France, and have vowed to begin an aggressive campaign to restructure Cambodia's tax, investment, banking, and currency laws. World Bank, IMF, and ADB officials are currently in Phnom Penh advising the new government as it rewrites existing laws.

Economy and Finance Minister Sam Rangsi, a Frenchtrained economist, told THE POST there would be a new banking act, foreign exchange act, and investment law promulgated by January, 1994. He vowed "the first real budget in 20 years" would be submitted by January and that by 1995 a "stringent" budget, in line with IMF and World Bank austerity programs, would be in effect.

"We will have institutional reform in order to make the government structure match the market economy," Rangsi said on Nov. 15. But he warned that some contracts signed by the previous government would be abrogated or "revised".

"Most of the contracts are acceptable. Some may need amendments to reflect the new situation," Rangsi said. He also said a "handful" of contracts will have to be canceled. "But the majority of investors do not have to fear."

The first victim is widely expected to be the Thai giant Chinawat which signed a 99-year agreement to broadcast IBC [International Boradcasting Corporation] television with the Cambodian People's Party which lost the elections. The station went on the air prior to elections and was fined by UNTAC [United Nations Transitional Authority in Cambodia] for violating election laws.

"They gave full support and propaganda to one political faction before the election and were allowed to operate for 99 years without one Baht—one dollar—for Cambodia. We should bring things to a normal standard," Rangsi said.

He accused some investors of "giving so much money under the table to corrupt officials" in previous months with no benefit to Cambodia.

The government signed an agreement with Singapore International Airlines (SIA) last week to create a new national carrier. The deal, which gives 40 percent to SIA, 30 percent to the government and 30 percent to local private investors, effectively abrogates several other contracts signed between the previous government and private investors.

Rangsi attacked the level of official corruption and called for centralized economic policy-making and "transparent political power" to root out corruption.

"There should be incompatibility between the status of minister and that of shareholder of a private company," he said. "Either ministers defend private interests or the national interest."

He accused government official of receiving "free shares when some private companies were created by very questionable interests".

"They should resign from government," he said. "This is the kind of transparency we want to implement."

The government has also begun an attempt to strengthen the Riel.

"We want to rely on sound macro-economic policy to restore confidence in our currency by strengthening its value both domestically and internationally," said Chulong Somura, vice president of the Central Bank.

Cambodia has seen four straight months of negative inflation for the first time in several years. It reintroduced the 50 Riel note earlier this month which had been dropped as worthless last year in the wake of triple digit inflation.

The aim, according to Chulong, is to "decrease the dollarization, the use of foreign currency". She said the government would "drop two zero's" from the new currency to be issued next year. The Riel strengthened 20 percent against the dollar last week in the wake of the formation of the new government, but Rangsi said they will attempt to stabilize the Riel between 2,400 and 2,600 to the dollar.

"There is a squeeze in liquidity because we have not printed money in more than one year, but we will not increase the money supply," he said.

Rangsi said the investment and economic restructuring programs are linked to the political developments in the country.

"Security and Khmer Rouge issues are both key investment issues... eventually the best weapon against the Khmer Rouge is economic development and rural development.

"We don't want to make war again against the Khmer Rouge. If we can reduce the imbalance between the rich and poor, the urban and farmers, reduce corruption, reduce social injustice, this is the basis of our new policy, we believe then the Khmer Rouge will disappear," he said.

Rangsi said the new banking legislation will be aimed at weeding out dubious banks that have opened in Cambodia since private banks were first allowed to operate here in 1991.

He acknowledged the authorities were aware of Cambodia emerging as a significant heroin trans-shipment route.

"We are aware of this. There are banks operating with zero capital, no customers, and run by people with no qualifications, people who have nothing to do with the banking industry and are laundering money and covering up other illicit activities. We have to react quickly," he said.

Cambodia currently only requires five million dollars in capital to open a bank "but even that is only theoretical," said the Finance Minister.

Thai Businessman Criticizes Minister Sam Rangsi BK2501100794 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 16 Jan 94 pp 1, 3

["Clarification of the Thai Boon Rong Company to Mr. Sam Rangsi" issued in Phnom Penh on 14 January]

[Text] I, chairman of the Thai Boon Rong Company, would like to inform Mr. Sam Rangsi of the following:

In the remarks you made on 11 January you should have first selected only words of truth before you uttered them because you were speaking in the name of the government. What you said conveyed the feeling that you alone were patriotic while all others were the scourge of the nation. Or was it not so?

Each statement you made concerned the fault of the former government, of former state officials. To hear you speak, everybody else was always wrong; no one was right. I would like to tell you that without the former government, "which you said to be faulty," maybe you

would not at all be able to show your face in Cambodia and step on Cambodian soil as you are now.

You are a politician. You should know how to "think ahead and in reverse" and to speak with realism. You should not babble like a half-wit. If you find that a person is in the wrong, you have the right to remove, reprove, fine, or sue him; but you have no right to revile anybody at all. However, you are not afraid even to malign the former government with which you are currently in cooperation. By the way, what proof do you have to gamely accuse over the public address system that the previous government had driven vendors out of the Olympic market at gunpoint? Does it really happen that way? Or is it merely an attempt to cause division in the Royal Government?

I am glad to hear your remarks, which gave credits to our company, but you should first closely examine them. My company is always prepared to let you personally inspect its books, because if you send somebody else to do it, that "somebody" may not correctly inspect them as you wish, may not be as patriotic as you are.

Regarding to remarks that "the Thai Boon Rong Company has made a \$30-million profit," I invite you to come in person to ticket me for a fine or to levy taxes on my company. If you appoint somebody else in your place, he may cause the nation to incur some losses.

Do you want to solve problems, or do you want to create them in the Kingdom of Cambodia and in the Royal Government? If you want to solve problems, you are asked to be less liberal with your utterances. Before opening your mouth, you should wag your tongue a million times.

After you have read this clarification, you should keep forever in mind that my company is run by humans who also know what is right and what is wrong, just like yourself. You are not the only one who knows and certainly not the only one who can solve all these problems.

Please hurry up; do not any waste time. My company's door is always open for you to come in to inspect it and levy taxes.

You likened investors to leeches sucking the blood and sweat of the people. This kind of talk is inflamatory and divisive. They are not words of the new year, the year of national reconstruction and national reconciliation. Such an attitude and such remarks certainly threaten investors and frighten them in their businesses that would contribute to the rehabilitation of the national economy. Therefore, it is more appropriate for you to be given the title of "Minister of Economic and Financial Destruction."

So, Mr. Sam Rangsi, please come and inspect my company. If after you have inspected it and nothing is found to be as in your allegations, will you be game enough to play out your "patriotic" role? As far as my company is concerned, it is waiting for you to come and inspect it. If you find that my company has evaded taxes or has imported materials for the construction of that market more than necessary, I and my company will pay all the taxes and accept all kinds of fines.

If you fail to find fault with my company, what will you do? You are asked to clarify this issue and to make a firm commitment.

Mr. Sam Rangsi, please accept our clarification as appropriate.

Phnom Penh, 14 January 1994

Thank you, Theng Bun Ma

Sam Rangsi Replies to Letter

BK2501102394 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 20 Jan 94 p 1, 8

[Reply from Sam Rangsi, state minister and minister of economy and finance of the Royal Government of Cambodia, to Theng Bun Ma, chairman of the Thai Boon Rong Company; issued in Phnom Penh on 17 January]

[Text] I, Sam Rangsi, would like to inform Theng Bun Ma, chairman of the Thai Boon Rong Company

I have read the "clarification" that you had your paper REAKSMEI KAMPUCHEA publish in the issue No. 238 dated 16 January 1994. I would like to comment only on the following points:

- 1. In all my statements, I have never put the blame fully on "former state officials" and said that "everybody else was always wrong; no one was right" as you wrote. You have made these statements up entirely because I clearly understand that among the previous and current administrators there are good and bad persons. I have a large number of colleagues in whom I fully have consideration and trust; all of them served the nation in the previous administration of the "State of Cambodia."
- 2. The luck I have to "step on Cambodian soil" again did not come from the deed of the "former government" as you said; it was due to the clear-sighted national reconciliation initiative of His Majesty [H.M.] the King, combined with the struggle of an overwhelming number of nationalists inside and outside the country, and because of the will of the entire Cambodian people who have voted for a change of regime in the country in May 1993. Despite this, I am a genuine Cambodian, born in Cambodia of Cambodian parents and as such I have the right to come back and live in my ancestors' land.
- 3. I would like to thank you for clearly showing your conscience and the degree of your cultural knowledge in accusing me of being a person who does not know how to

"think ahead and in reverse" and for being a "half-wit."
Furthermore, you called me "minister of economic and financial destruction."

I would like to inform you that:

- The positions and honors that I have received so far came from H.M. the King and from the confidence in me of the Cambodian people who are Cambodia's sole owners.
- Recently, I was appointed by H.M. the King, with the consent of all political parties, member of Cambodia's Supreme National Council which represents Cambodia's sovereignty.

 Furthermore, I was elected people's representative in Siem Reap constituency.

- Lastly, I have been appointed by H.M. the King state minister and minister of economy and finance in the royal government that was set up in accordance with a royal decree dated 1 November 1993.
- You can despise me, but you should not express this through the use of improper words against the king and the Cambodian people who have made their judgment, selected, and appointed me to my current position. Therefore, according to what you said, this means that in your opinion the king of Cambodia and the Cambodian people lack correct judgment in electing their representatives and leaders. It also means that only Theng Bun Ma knows how to assess the qualities of the country's leaders.
- Perhaps the fact that you do not have Cambodian blood explains why you do not know how to respect Cambodia's king, people, and customs.
- 4. You wrote that I "malign the former government" with which I am "currently in cooperation" and that I want to "cause division in the Royal Government." Who appointed you lawyer of the "former government"? What right do you have to appoint yourself spokesman of the new government? Let the people judge your character as "lawyer" and "spokesman."
- 5. I would like to thank your company for allowing me and for being "always prepared" to let me "inspect its books." Regardless of this, in my position as the one responsible for managing the national economy, particularly in the fields of taxes and customs duties, I have full right to inspect all companies that I suspect or about which I have sufficient evidence that these companies have not correctly abided by the law.

I have the honor to inform you that your company is among the above category of companies that are improper or would-be improper. Therefore, I will send a number of economic and financial officials to check your company in the near future.

6. Concerning the economy and investment, I have lived and studied and have been an investor myself for a fair number of years in liberal and developed countries in which there are proper laws and good order, which is an important factor enabling their economies to develop. It is my view that such conditions do not yet exist in Cambodia. This has led to the fact that a number of "investments" made in the past three or four years have not really promoted Cambodia's economy and society toward genuine progress. On the contrary, a number of illegal "investments," not in conformity with the nation's interest and with the people's will, have created a troubled atmosphere, corruption, embezzlement, and injustice toward a large number of poor and innocent people.

In my view, as long as Cambodia does not have proper law and order and a number of leaders still do as they please, Cambodia cannot attract proper investors with good conduct to contribute to the country's progress in the long run. On the contrary, in the troubled atmosphere that has prevailed over the past three or four years, a large number of "investors" doing business in Cambodia tended to be bad foreigners who came to rob or destroy property and interests to pilfer and to serve their own interests with the support of some corrupt leaders as their partners.

This type of investor and bad businessman has infiltrated and taken over many exclusive rights in the national economy. Investors and proper and legal businessmen (those who have paid taxes and customs duties and who refused or did not know how to bribe) cannot do business to compete with the bad guys. So, as long as I am in the current position, I will do my best to enable the country to have proper law and to get everyone, be they small or big, poor or rich, to abide by law and to respect national interest. Only in such condition can Cambodia attract good investors to do business in the country to make the national economy genuinely prosper and at the same time raise social justice. I am convinced that before too long good and law-abiding investors with respect for Cambodian interest and customs and traditions will replace bad investors, the ones we have so far encountered.

In economic science, there is a law, which in English is called The Gresham Law [preceding three words in English], saying that "The bad money drives out the good." [preceding sentence in English] It means that "spoiled bank notes drive out the good ones from the market." This is the same in business in general. In other words, in a troubled atmosphere bad investors and traders drive out good investors and proper traders from the market.

However, with all nationalists, I will strive to do my best to reverse this tragic and unjust current soon, namely to attract and encourage world-renowed investors with formidable means who are willing to abide by law and respect the nation's interest, to replace and drive out bad investors from the Cambodian market "The good investors will drive out the bad." [preceding sentence in in English]

7. After the election, the Cambodian people in general, like myself, rejoiced because we had put an and to a

heavy foreign colonial yoke. However, the Cambodian people, like myself, have suffered and realized that our country is under the colonial economic yoke of the "Thai Boon Rong" company with a number of foreign criminal traders (mafia) [preceding word in English] behind it. Everyone knows that the "Thai Boon Rong" company is the real manager of our national economy because it has immense resources acquired through the Cambodian people's sweat and blood. It has used dollars to buy the conscience of some of our national leaders, enabling it to do as it pleases. We cannot count the number of plots of land, buildings, factories, houses, farms, forest, coastal stretches that Theng Bun Ma has embezzled and made his own with the collusion of a small number of old leaders who were corrupt and who have sold off the nation. Earlier, the question we should have asked those around us was: "What does Thai Boon Rong own?" because of Thai Boon Rong's already extensive ownership. Now the question we should ask is this: "What does not belong to Thai Boon Rong?" This is because almost the whole of our Cambodia in under Thai Boon Rong's influence.

8. I still remember that at the end of December 1991 following a brutal repression of students who demonstrated against corruption, I dared to openly and officially express my support for nationalists who dared to stage demonstrations against the old government for which Theng Bun Ma is now acting as "lawyer."

My statement and message of support for compatriot demonstrators at that time was carried by a number of international newspapers worldwide. Now I have no fear whatsoever in expressing my nationalist sentiments which have forced me to expose and heavily stress on the colonial economy Thai Boon Rong is practicing in my revered motherland.

Until the last drop of my blood I will show that I remain loyal always to the nation, religion, and the king. Phnom Penh 17 January 1994 Sam Rangsi

Khmer Rouge Radio Says Attack on Route Defeated

BK2201093794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Jan 94

[Text] The puppets of the Vietnamese communists gathered their troops from here and there, along with the troops left over along National Route 6 in Siem Reap Province, and deployed them at Spean Koul Village, Krapoe Commune on the border of Stoung District in Kompong Thom Province and Chikreng District in Siem Reap Province from 15 to 18 January.

The attacking troops of the Vietnamese communists' puppets started their drive against the people and Democratic Kampuchea on 19 January. However, the people—who are boiling with rage against the Vietnamese communists and have been robbed and ruined by these

bandits—joined the National Army of Democratic Kampuchea [NADK] and closely collaborated with the latter in the counterattackg to protect the people's property and lives.

At that time, a number of soldiers of the Vietnamese communists' puppets and of the Paras [troops of the Khmer People's National Liberation Front]—who have deserted to live with their parents and due to their anger, lack of money, and hunger because their salary was robbed from them by their superiors—joined the NADK and the people and chased away and swept the attacking troops of Vietnam's puppets along Route 6 in Siem Reap Province.

One part of the force chased the attacking troops from Spean Koul to Pralay and Stoung. Another part of the force swept the enemy from Spean Koul, Lveng Russei, to Kompong Kdei. The attacking troops of the Vietnamese communists' puppets were routed; many were killed or wounded by mines, booby traps, and other [words indistinct].

This is a counter attack to protect the property and lives of the people, who have been constant victims of the enemy's plunder, burning, and oppression for the past more than 15 years. This clearly shows that the Cambodian nation and people will not let troops of the Vietnamese communists' puppets do what they want at will. People have to fight to defend their villages, property, and lives. They want peace and national reconciliation instead of fighting for the Vietnamese communists and Western powers.

If these soldiers' leaders want to remain servants of the Vietnamese communists and the Western powers in order to have rank, honors, and money, let them fight themselves.

Khmer Rouge Radio: 'Over 20' Killed in Attack

BK2201092594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Jan 94

[Text] The puppets of the Vietnamese communists and the two-headed government have ordered their forces to move from the west and east of Route 68. The forces are comprised of military trucks, artillery pieces, and infantry troops in an attempt to drive toward the liberated zones of Democratic Kampuchea. On 17 January, the National Army of Democratic Kampuchea and the people attacked and destroyed these attacking forces at Pongro and Ta Pen along Route 68 below Samraong. Over 20 soldiers were killed and a number of others wounded. The remaining troops fled the battlefield and returned to their villages because the majority of the puppet soldiers were forcibly drafted from villages where people were harvesting crops.

Khmer Rouge Radio: 38 Government Troops Killed

BK2401023294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 23 Jan 94

[Text] Between 17 and 18 January, the warmongering communist Vietnamese puppets gathered 1,000 puppet soldiers from the 196th, 12th, and 6th Divisions; from Battambang District; and from provincial troops and attacked the people's liberated villages in the area of Boeng Kandal and Dambok villages on the south Sisophon battlefield.

The people and the National Army of Democratic Kampuchea [NADK], however, clearly had advance warning of the enemy's attack plan and ambushed the enemy forces. The NADK, in cooperation with the people, divided their forces into two prongs. The first prong attacked the communist Vietnamese puppet troops as they left Lvea village; the second prong attacked the troops leaving Ampil Pram Daeum. In these two attacks, the NADK and the people killed 38 communist Vietnamese puppet soldiers, wounded 32 others, and seized a large quantity of guns and materiel. The remaining soldiers were really scared. A large number fled because they were afraid of dying and were angry with their commanders for forcing them to attack the Democratic Kampuchean resistance forces and the people and die on their behalf.

KR Radio Details Fighting in Oddar Meanchey

BK2401023994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 23 Jan 94

[Text] Between 20, 21, and 22 January 1994, leaders of the communist Vietnamese's puppets gathered 200 puppet soldiers of the communist Vietnamese from Division 7, which is in charge of defending Phnom Penh. Among the 200 soldiers were 80 Vietnamese who acted as the spearhead. These 80 men are Cambodianspeaking Vietnamese; some talk in Cambodian with an accent when communicating with their colleagues on the battlefield. These 200 form the core of the troops in other divisions who have been beaten, killed, or wounded on Route 68 east of Samraong and west of Samraong battlefields, such as Division 11, 9, 3, the new Division 7, and units from the 4th Military Region. All these troops are under the command of Ke Kimyan, Pol Saroeun, Long Sopheap, Eng Sopheap, and a dozen other, so-called generals.

However, once again the National Army of Democratic Kampuchea, in cooperation with the people, have smashed their offensive. In particular on 20 January, our national army scored a direct hit against the frontline command post of the communist Vietnamese's puppets with Long Sopheap and Prum Samen as commanding generals. We killed 47 communist Vietnamese puppets, whose bodies were left on the spot, and wounded some

others. We destroyed four armored vehicles, three tanks, six military trucks, and a large quantity of military materiel.

Among those killed or wounded were Prum Samen, some generals, and many colonels and majors who were meeting and drinking alcohol. Now Long Sopheap's position is being surrounded and attacked by us; he is looking for a way to escape. The remaining soldiers have been routed and have fled to the west of Route 69.

In three days—20, 21, and 22 January—troops of the communist Vietnamese panicked and fled in units, in groups of 10 or 20 at a time, four or five groups a day. Only the special units composed of Vietnamese soldiers speaking Cambodian with an accent remain. Fifty percent of these special units have been killed or wounded; they are either being killed or wounded, or they are fleeing. These fleeing soldiers say that they are not staying to fight; they are afraid of death because this is a place of death. If the commanders want to fight, let them do the fighting themselves.

Khmer Rouge Criticizes New Immigration Law

BK2301121694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Jan 94

[Text] The two-hered government has recently promulgated a law saying foreigners can stay without a passport in Cambodia for one or two weeks. The so-called new law made the Vietnamese cheer loudly since this is what they long for. The significance of the law is exactly the same as the content of the nonborder treaty previously concluded between the Vietnamese communists and their puppets. Are the puppets so stupid? No, they are not. The Vietnamese communists have ordered them to act like this since they exert 100 percent control over military, civilian, and other affairs in the rural areas and 99 percent in Phnom Penh. As for other people, they are waiting only to repeat clamorously what the Vietnamese communists and their puppets have said.

Another concrete example is that when the people support and demand that the five-point initiative offered by the king be implemented to achieve national reconciliation and restore peace, the Vietnamese communists and their puppets talk about only three points; those in the Vietnamese communists' cage also repeat the three points.

This action will destroy the nation and people and make the Cambodian race and territory disappear as was the case of Kampuchea Kraom.

The people say they do not want the two-headed government because it is under the total control of the Vietnamese communists and their puppets. Only by supporting the five points of the king can the Cambodian nation, people, and race be safeguarded forever.

Indonesia

Suharto, Malaysian Rafidah Discuss APEC, Trade

BK2201091194 Jakarta ANTARA in English 0705 GMT 22 Jan 94

[Text] Jakarta, Jan 22 (ANTARA)—President Suharto has again said that the Asia Pacific Economic Cooperation (APEC) forum should remain flexible and unstructured.

After paying a courtesy visit to President Suharto here over the week end, visiting Malaysian Minister for International Trade and Industry Affairs Rafidah Aziz said that such a flexible forum is needed on the grounds that economic capabilities of the members of APEC are not uniform but varying.

She quoted the Indonesian head of state as saying that some of APEC members have high economic acceleration, some are moderate, and some others are even still developing.

APEC groups ASEAN countries, the US, Canada, China, Taiwan, Hongkong, Japan, South Korea, New Zealand, Australia, Papua New Guinea, and Mexico. The forum is scheduled to have its annual economic leaders informal summit in Jakarta in November, 1994. APEC is chaired by Indonesia.

"It would be possible to discuss a possibility of having a free trade area if other APEC members like ASEAN countries have achieved an advanced economic progress," Minister Rafidah Aziz said.

She said that the possibility of the presence of Malaysia's Prime Minister Mahathir Mohamed at the forthcoming informal APEC summit in Jakarta was not discussed with the head of state.

On Friday (21/1) the minister had assured the press of the presence of Prime Minister Mahathir Mohamed at the APEC economic leaders informal summit.

Prime Minister Mahathir did not attend the attend the first APEC summit held in the US city of Seattle last year. On trade cooperation among ASEAN countries, she said that Indonesia, Brunei Darussalam, Malaysia and the Philippines are now working on the establishment of trade cooperation.

Indonesia, Malaysia, and Thailand has established the Singapore-Johor-Riau (Sijori) growth triangle.

At the meeting, the head of state briefed the visiting Malaysian Minister about the Indonesian companies' capability in developing the liquified natural gas (LNG) train in Bontang.

The development of such an LNG train was used to be conducted by foreign companies.

Commenting on the head of state's explanation, Minister Rafidah Aziz said that Malaysia, who also has the similar LNG train, wishes to cooperate with Indonesia in taking bids of LNG train developments in other countries such as in China, and Vietnam.

Investment Guarantee Agreement Signed

BK2201132394 Kuala Lumpur BERNAMA in English 1019 GMT 22 Jan 94

[Text] Jakarta, Jan. 22 (OANA-BERNAMA)—Malaysia and Indonesia Saturday signed an investment guarantee agreement [IGA] to encourage the private sectors of both countries to optimise the huge potential available in economic and industrial cooperation.

The agreement on promotion and protection of investments was signed by Malaysian Minister of International Trade and Industry Rafidah Aziz and Indonesian Acting Minister of Foreign Affairs Susilo Sudarman, who is defence and security minister.

Speaking to reporters after the signing ceremony, Rafidah urged the Malaysian and Indonesian private sectors to follow up with joint ventures to exploit the vast economic opportunities available in the two countries.

Rafidah, who is here for a two-day visit, also called on entrepreneurs of the two countries to synergise their capacity to invest in third countries which are opening up their economies like Cambodia, Vietnam, and the People's Republic of China.

She said they had developed the capacity in fields like electronics, oil, and gas engineering and by combining their resources they could strongly bid for tenders in third countries.

Susilo, describing the agreement as timely, said the Indonesian Government was looking forward to more joint ventures between Indonesian and Malaysian businessmen, especially with the implementation of the ASEAN Free Trade Area (AFTA).

Rafidah said ASEAN had already signed an umbrella IGA in 1987, but this bilateral agreement showed that the two governments were serious in forging greater cooperation between their private sectors.

She said trade between the two countries and the awareness of trade opportunities among their businessmen in both countries were increasing, but they should be more aggressive as the trade base was still small in proportion to the potentials.

Total trade between the two countries had increased from U.S. \$199 million worth in 1985 to U.S. \$1.139 billion in 1992, but it only accounted for 1.4 percent of Malaysia's total global trade, she added.

Indonesia's investment in Malaysia up to December 1992 stood at U.S. \$1.28 billion, but out of 800 investment projects approved last year, only three were Indonesian.

Malaysia's investment in Indonesia now stood at U.S. \$166 million in 32 projects, mainly in wood industry, food, metal, and textiles.

Rafidah Friday held talks with Trade Minister Billy Yudono on bilateral, regional, and global trade matters and with Minister of Research and Technology B.J. Habibie on cooperation in aerospace industry.

Earlier Saturday, she held discussions with Minister of Industry Tungky Aribowo on, among others, bilateral trade relations and the forthcoming informal meeting of ASEAN economic ministers in Kuala Lumpur on April 22:

Minister on Investment Climate, Prospects BK2301133994 Jakarta TEMPO in Indonesian 1 Jan 94 p 26

["Excerpts" of interview with State Minister for Investment Sanyoto Sastrowardoyo by TEMPO correspondent Dwi Setyo Irawanto in Jakarta—date not given]

[Excerpts] [Irawanto] Could you tell me why there is the impression that we seem to adopt a cautious stand toward foreign investors?

[Sastrowardoyo] We want not only economic growth, but also equal income distribution. Foreign investors are allowed to benefit from our business opportunities, but we must also defend national interests. Foreign investment should not be allowed to affect the business of local people, capture our domestic market, corner our businessmen, or make our businessmen lose business opportunities. I do not want that to happen. At least, we must be equal in giving and taking things.

[Irawanto] How do you make that happen?

[Sastrowardoyo] They are allowed to set up wholly owned foreign companies, but they must observe the requirements, namely, their capital must be more than U.S. \$50 million, their company must be located in the approved industrial estate or in the 15 designated provinces such as Jambi or the eastern part of Indonesia, or they must export all their products overseas. It must be borne in mind that foreign investors need to fulfil one of the above requirements, and not necessarily all of them. For instance, they can still set up wholly-owned foreign companies if their capital is under U.S. \$50 million, but their company must be located in one of the 15 designated provinces, and their products must be entirely for export. However, after 20 years, they must carry out a divestment program [two preceding words in English], which means that 51 percent of the company's equity must be sold to local businessmen.

[Irawanto] Why?

[Sastrowardoyo] Because we do not want passive observers and because we also want a piece of the economic cake. We do not want to become mere laborers who have given them land, water, and opportunities which they have grabbed.

[Irawanto] Do you think the requirements are too hard for foreign investors?

[Sastrowardoyo] No, because the 51-percent equity can still be split into smaller portions. For example, 31 percent for local partners, while the remaining 20 percent can be listed in the stock market. So the 49-percent owner can continue as the single majority [two preceding words in English] holder. Therefore, foreign investors do not have to worry about it. Do not forget that local partners include not only local businessmen, but also international financial institutions such as the IFC [International Finance Corporation], the IMF, and the ADB [Asian Development Bank] which the Indonesian Government is a shareholder. The idea is not to allow foreigners to completely dominate business opportunities in our country, while our people remain mere spectators.

[Irawanto] But other countries do not have the divestment program.

[Sastrowardoyo] We are competing not only with developing countries, but also with developed ones. We must be mentally ready and skillful in dealing with foreign investors. If foreign investors wholly own their companies and we only supply them with land, water, and manpower, this country will definitely become a nation of laborers. We will never become a nation of entrepreneurs [preceding word in English] and we will never have management experts. As for other investment areas, I think we have already adopted an open-minded approach. [passage omitted on the issues of land and bureaucracy]

[Irawanto] Do you see the PRC as a threat to our investment drive?

[Satrowardoyo] I believe the PRC is not a threat because political stability is still a big question there while its business regulations are inconsistent. Vietanm will probably pose a threat to us three years from now. At present, its infrastructure and regulations are not ready for investment, but if they can cope with these problems, that country will be more competitive. But for now, I see no serious threat.

[Irawanto] What is Indonesia's position in attracting foreign investment?

[Sastrowardoyo] We managed to get U.S. \$10.3 billion in 1992, but do not forget that the figure represents overall investment, while pure foreign investment stood at about one fourth of this amount. As of 11 December 1993, we managed to attract U.S. \$7.4 billion only. It is true that there is a drop in investment in 1993.

[Irawanto] What is the greatest obstacle for foreign investors?

[Sastrowardoyo] Indonesia is the only ASEAN country and the only Asian country that does not give tax holidays [two preceding words in English], which was abolished on 1 January 1984. This is because we need all sources of revenue, including taxation. On the other hand, people often ask: "Why does Indonesia have a divestment program and others not?" The answer is, as I have explained earlier, namely, we do not want to become mere spectators.

UN Envoy: East Timor Development 'Very Advanced'

BK2401015694 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 24 Jan 94

[Text] Francesco Vendrell, the UN secretary general's envoy, says that he now understands conditions in East Timor better. He feels that a report to be presented to UN Secretary General Butrus Butrus-Ghali is complete enough, thanks to information provided by Indonesian officials during his three-day stay in the territory. Francesco Vendrell expressed his views at Dili's Komoro Airport yesterday prior to his departure from East Timor. He added that the results of his visit to East Timor will serve as input for the tripartite Jakarta-Lisbon-UN talks on East Timor scheduled for next May. Vendrell described development in East Timor as very advanced and positive in promoting the welfare of the local population.

Two Thai Trawlers Arrested for Fishing in Aceh BK2201130794 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 21 Jan 94

[Excerpt] A Republic of Indonesia Ship [KRI] Wolter Monginsidi 343 has arrested two Thai fishing boats for illegally fishing in waters eight miles off the west cost of Aceh. The two Thai fishing boats were arrested for violating fishing regulations issued by the Indonesian Government.

Lieutenant Colonel Senan Mitrat, commander of KRI Wolter Monginsidi 343, also seized the fishing permits of the Thai fishing boats and piloted the boats to the Sabang Naval Base for further investigation. The boats are said to have been banned from operating in Indonesian territorial waters. The West Indonesian Fleet is still patrolling Indonesian waters to search for more Thai fishing boats suspected to have been fishing illegally in Indonesian waters. [passage omitted]

Philippines

U.S. Pact May Be Invoked if Attack in Spratlys

BK2501114294 Hong Kong AFP in English 0700 GMT

25 Jan 94

[Text] Manila, Jan 25 (AFP)—The Philippines may invoke a mutual defense treaty (MDT) with the United

States if its forces are attacked by other claimants in the disputed Spratly islands, Defense Secretary Renato de Villa said Tuesday. But De Villa told foreign correspondents that the 1951 treaty, which calls for assistance against a third-party aggressor, does not guarantee automatic aid from Washington, unlike the North Atlantic Treaty Organization.

The Spratlys are a reputedly oil-rich and strategically located archipelago in the South China Sea which are claimed in whole or in part by China, Vietnam, the Philippines, Malaysia, Taiwan and Brunei.

De Villa said any attack on Philippine troops, vessels or aircraft is considered an "act of aggression," in which case Manila can invoke the MDT, which exists despite the closure of US military bases in the country. But he said that "there is no such thing as an automatic response" if the Philippines invokes the pact although "it will trigger an action on the part of the US government." De Villa did not elaborate.

China and Vietnam maintain the largest garrisons and naval patrols in the Spratlys, and all claimants save for Brunei have some form of armed presence to press their claim.

Regional security experts warn that the Spratlys remained a flashpoint for conflict and urged wider dialogue and cooperation among the claimaints to avert a new Southeast Asian war. So far four informal workshops have been held.

The experts also said the United States is not likely to be dragged into a regional conflict unless its own national interests were directly affected, citing US reluctance to get involved in Bosnia and Somalia.

China routed Vietnam in a 1988 naval battle in the Spratlys, leaving an estimated 78 dead and 24 wounded on the Vietnamese side.

Security analyst Bilveer Singh of the Singapore Institute of International Affairs told a Manila seminar of regional think tanks earlier this month that China had overwhelming military supremacy over the other Spratly claimants.

China has 260,000 men, 94 submarines, 19 destroyers, 37 frigates, 870 patrol vessels, 128 mine warfare vessels, and 60 naval aircraft deployed in the South China Sea, he said, while Vietnam has the second most powerful presence.

'Source Rocks' for Petroleum Located in Gulf BK2401044794 Manila MANILA BULLETIN in English 20 Jan 94 p B-4

[Text] Source rocks for petroleum generation are present in the sub-surface of the Ragay Gulf Basin, about 200 kilometers southeast of Manila, Australian scientists reported. The Australian Geological Survey Organization (AGSO) has released its first report on the petroleum potential of an offshore area in the Philippines.

The AGSO scientists' report includes 10 new maps, based on current and previously collected seismic data, and shows the structure of key horizons at a detailed scale, together with results of the offshore geochemical survey and analyses of samples taken from onshore oil seeps and exploration wells.

Findings on three other Philippine offshore basins would be due for release in March.

"In the Ragay Gulf Basin, the first of the four offshore basins, major fault systems controlling the distribution of hydrocarbon traps are now better understood and have been mapped more accurately than previously. An important limestone formation containing possible petroleum source and reservoir rocks is shown to be much more extensive than was thought previously, and includes reefal deposits which may provide attractive targets for future oil exploration. Large potential hydrocarbon traps in various parts of the basin were mapped with sufficient accuracy to estimate likely reserves," AGSO's project leader, Dr. Chao-Shing Lee said.

From March to May 1992, AGSO and the Philippine Department of Energy conducted a cooperative geophysical and geochemical survey to evaluate the petroleum potential of four offshore basins in the Philippines.

The \$5 million project was funded by the Australian International Development Assistance Bureau (AIDAB). A total of nearly 3,000 line kilometers of seismic and 5,000 line kilometers of geochemical data was collected using AGSO's geoscientific research vessel, Rig Seismic.

"The new-seismic shooting achieved penetration to a greater depth than previously, allowing improved definition of key horizons and structural features," Lee said.

In geochemical surveying, a towed 'fish' measures the concentration of hydrocarbons dissolved in sea-water a few meters above the seabed. Analysis of the hydrocarbons will determine whether they are "fossil" hydrocarbons such as oil, gas, or condensate escaping from sub-surface rocks, or the product of recent biological activity in the water column or bottom oozes.

"Zones with anomalously high hydrocarbon concentration mark the sites where hydrocarbons are escaping from the seabed. By examining these zones in relation to the seismic data, it is possible to identify areas where hydrocarbons are likely to be accumulating," Lee said.

Thailand

Police Watch PRC Suspects in Alien Smuggling BK2301095794 Bangkok THE SUNDAY POST in English 23 Jan 94 p 4

[Text] THE police are keeping a close watch on some Chinese who came to Thailand as tourists but later applied for licences to run import-export companies. These people are suspected of involvement with human trafficking and other serious crimes, a police source said yesterday. The Chinese were mainly from China but some were from Taiwan.

The Chinese who were granted business licences would later name themselves managing directors and then seek permission to bring in their Chinese "colleagues" to fill other positions such as foreign affairs managers, quality-testing officials and overseas coordination officials, the source said.

Police suspected these people would then smuggle into Thailand Chinese who wanted to resettle in third countries before making overseas trips, mostly to the United States, when they would take the illegal immigrants with them, he said. Several Chinese have already been arrested in the provinces in connection with drug trafficking, evasion of criminal charges in their countries and killing of their business partners.

Police investigators were focusing on five cases where eight Chinese aliens were all shot to death with .38 revolvers, the source said.

In the first case, Nakhon Pathom police found the bodies of two Taiwanese men, Chuen Si Yuan and Lin Tong Huan, in Nakhon Chaisi district on July 9, last year. The second case occurred on August 10 last year, in Phetburi's Tha Song Yang district, where local villagers heard three gunshots before finding Siew Si Tong and Lai Sun Kiang, both from Hong Kong, had been killed.

Also on the same day, Phetburi's Muang district police found Li Chang Ho and So Seng Liang, who came from China, were shot to death.

Group Urges ASEAN Agreement on Copyrights BK2201100994 Bangkok THE NATION in English 22 Jan 94 p B1

[Text] The Asian Music Industry Association recently suggested in a letter to the Secretariat of the Association of Southeast Asian Nations [Asean] that Asean should implement a common agreement on copyrights to tighten protection within the region.

In response to the proposal, Khanitson Nawanukuro, deputy director-general of the Business Economics Department, said Asean senior economic officials will bring up the issue at their upcoming meeting in Jakarta Jan 27-28 to sound out opinions. He said apart from the copyright issue, Asean senior officials will discuss how to reduce tariffs on pulp under the Asean Free Trade Area (Afta) programme to a maximum of five per cent this year instead of within eight years as previously agreed.

Afta requires its members to cut tariffs on pulp to zero-to-five per cent over an eight year period. But Khanitson said Asean members will try to move faster on the tariff cuts to make Afta a reality as soon as possible.

Earlier, the Afta working committee studied the harmonization of product codes for customs purposes in a drive to lower barriers to trade. They concluded that Asean nations should accelerate tariff cuts for pulp, among others because it would be most beneficial to the member countries.

Police Reshuffle Faces 'Stiff Opposition'

BK2201095994 Bangkok THE NATION in English 22 Jan 94 p A2

[Text] The recent reshuffle of 1,784 police officers from the level of chief investigator up to deputy commander is facing stiff opposition from some officers who feel they were treated unfairly, a senior police officer said yesterday.

Pol Lt Col [Police Lieutenant Colonel] Nithi Charucharit, deputy commander of mounted police, said he has already submitted a letter to acting police chief Prathin Santiprapop seeking a review of the reshuffle list. Nithi said his seniority met the criteria for advancement, but he was overlooked. He is a law graduate of Ramkhamhaeng University. He said he has been a deputy superintendent for nine years without any sign of being advanced. Some of the officers promoted in the reshuffle had far less seniority.

Metropolitan police commissioner Pol Lt Gen [Police Lieutenant General] Chamlong Iamchaengphan had recognized his abilities in a certificate, Nithi said, but did not have the authority to change the reshuffle.

Pol Lt Col Thawisak Tuchinda, deputy superintendent of a special unit, has also petitioned Prathin to reconsider the reshuffle.

Pol Maj Gen [Police Major General] Suwan Suwandecho, a senior police of General Affairs Division, also said he will forward a protest letter to deputy interior ministers Suthat Ngoenmun (Democrat) and Chamni Sakdiset (Phalang Tham) requesting the reshuffle of 130 police generals be reconsidered. Suwan said justice should prevail in every reshuffle.

Vietnam

Hanoi, Beijing Agree To Extend Border Accord OW2401163894 Hanoi Voice of Vietnam in Mandarin 0830 GMT 21 Jan 94

[From the "News" program]

[Text] Vietnamese and Chinese experts held talks in Beijing 11-15 January to discuss the implementation of the provisional agreement on settling Vietnamese-Chinese border problems signed on 7 January 1991.

During the talks, the two sides unanimously pointed out that it is necessary to abide by the provisional agreement and to institute controls in their respective border areas in accordance with actual conditions following the signing of this agreement. The two sides should not create any manmade problems that will cause changes in the border situation.

Meanwhile, the two sides must promote the opening of border gates according to the relevant agreement, as well as resume and maintain order in border exchanges and trade activities.

The Vietnamese and Chinese experts also unanimously pointed out that the relevant departments of the two sides should hold prompt consultations to properly settle various border problems and should report these to their respective central governments.

In addition, the experts of the two countries unanimously agreed to extend the provisional agreement for another two years.

On 15 January, Chinese Vice Foreign Minister Tang Jiaxuan met with and held a cordial conversation with the Vietnamese delegation of experts.

Minister, PRC Envoy Attend Anniversary Party BK2201100094 Hanoi VNA in English 0627 GMT 22 Jan 94

[Text] Hanoi VNA Jan. 22.—A get-together was arranged in Hanoi yesterday on the occasion of the 44th anniversary of the establishment of the Sino-Vietnamese diplomatic relations. Among those present at the get-together organised by the Union of Peace, Solidarity and Friendship Organizations (UPSFO) and the Vietnam-China Friendship Association were Nguyen Cong Tan, minister of agriculture and food industry, and president of the Vietnam-China Friendship Association and Nguyen Quang Tao President of the UPSFO, and Chinese Ambassador to Vietnam Zhang Qing.

Minister Nguyen Cong Tan, Ambassador Zhang Qing and everybody proposed toasts to the further consolidation and development of the friendship and cooperation between Vietnam and China.

CPV Delegation Departs for Italy, France BK2001144794 Hanoi VNA in English 1436 GMT 20 Jan 94

[Text] Hanoi VNA Jan. 20—A delegation of the Communist Party of Vietnam Central Committee (CPVCC) led by Politburo member and Secretary of CPVCC Le Kha Phieu left here for Italy and France to attend the Second National Congress of the Italian Communist Party Refoundation (ICPR) which is held in Rome from Jan. 20-23 and the 28th National Congress of the French Communist Party (FCP) held in the suburb of Paris from Jan. 25-29.

Attends Italian Party Congress

BK2401151304 Hanoi VNA in English 1441 GMT 24 Jan 94

[Text] Hanoi VNA Jan. 24—A delegation of the Communist Party of Vietnam led by Le Kha Phieu, Politburo member and secretary of the party Central Committee, attended the second national congress of the Italian Communist Party Refoundation (ICPR) in Rome from Jan. 20-23.

While in the Italian capital, Mr. Le Kha Phieu met and exchanged views with Mr. A. Cossutta, chairman of the ICPR. The two sides informed each other of the situation in each party and discussed measures to further strengthen the friendly and cooperative relations between the two parties, contributing to the promotion of the relations between the people of the two countries. The Vietnamese delegation also met and exchanged views with P. Fassino, Politburo member and head of the External Relations Commission of the Democratic Party of the left. The two Italian party leaders, valued highly the initial achievements made by the party and people of Vietnam in its current process of renovation, and affirmed their further support for the cause of socialism construction in Vietnam.

The Vietnamese head delegate also had working sessions with other delegations to the congress, met with the mayor of Rome, visited the Institute for Asia in the city and toured a number of economic and cultural establishments in Italy.

Talks Held With French Assembly Delegation BK2401152394 Hanoi VNA in English 1452 GMT 24 Jan 94

[Text] Hanoi VNA Jan. 24—A delegation of the Comission for Culture, Education, Youth and Children of the Vietnamese National Assembly led by its head Tran Thi Tam Dan held talks here today with a delegation of the Commission for Culture, Family and Society of the French National Assembly led by its head Michel Pericard, who arrived here on Jan. 21 for a visit to Vietnam.

During the talks, the two sides informed each other of activities of the two legislatures in general and of their commissions in particular. They expressed their pleasure at the further development of friendship and cooperation between the two National Assemblies as well as the two peoples of Vietnam and France.

Also today, the French guests were received by Vice Chairman National Assembly Phung Van Tuu, who said he considered the visit a fine demonstration of the Franco-Vietnamese friendship and cooperation. He highly appreciated the recently strong support and prescious assistance of the French National Assembly and people to the Vietnamese people in various fields.

For his part, Mr. Michel Pericard welcomed the initial important achievements recorded by the Vietnamese

people in the process of renovation and national construction. He affirmed that the two National Assemblies have a time-honoured fine relations and the current Vietnam visit of the French delegation would contribute to the further consolidation and development of the above-said relations.

This afternoon Mr. Pericard was received by Vice Prime Minister Nguyen Khanh who noted that the cooperation between Vietnam and France in the cultural, scientific, educational and social fields have fine prospects.

The vice prime minister thanked the French people for their active assistance and support to the Vietnamese people in improving Vietnam's relations with international organizations and expressed his hope that the relations of friendship and cooperation between the two legislatures and governments would further be developed.

For his part, Mr. Pericard said that Vietnam and France have had fine cooperation in culture, science, education and other fields. This was a favourable base for the further promotion of economic and commercial relations between the two countries, thus contributing to consolidating and developing the time-honoured friendship between the two countries, he added.

French Cooperation Reaches 'Cruising Speed' BR1901165194 Paris LE MONDE in French 19 Jan 94 p 5

["J.-C.P." report: "Mr. Longuet's Visit Illustrates the Development of Cooperation with France"]

[Text] Hanoi—One year after Francois Mitterrand's visit, cooperation between Vietnam and France seems to have reached cruising speed, as witnessed by the first visit by a member of the Balladur government, in this case the minister of industry, post and telecommunications, and foreign trade. Before leaving Hanoi for Hue and Ho Chi Minh City on Tuesday 18 January, Gerard Longuet, who headed a delegation of 35 businessmen, said that Vietnam could become "a platform to reexport" French products in the region.

French aid to Hanoi for 1994 is around 550 million French francs [Fr], including the Fr85-million contribution to the payment of the Vietnamese debt to the IMF. The rest is divided between Treasury donations and loans (Fr250 million), credits from the French Development Fund (Fr110 million in project contributions), and the cooperation package (Fr108.5 million). The funds allocated between 1990 and 1992 under the three previous financial agreements have been completely exhausted, and those provided by the fourth, signed in Paris on 8 November, should also be exhausted.

During a visit to Vietnam from 11 through 13 January, Jacques Chirac expressed the Right's desire to "pursue and develop" the previous governments' Vietnamese policy. This desire to accept the Socialists' legacy is

confirmed by the visits announced for the next few months by Jacques Toubon (culture and Frenchspeaking affairs), Simone Veil (social affairs), Edmond Alphandery (economy), and perhaps Francois Fillon (research).

Mr. Longuet wanted to give a pragmatic tone to bilateral relations, stating in particular that because of its remoteness, Vietnam could not form France's "backyard." He also stressed that because of the "colossal requirements" for restoring the country's infrastructures, there is room "for everybody" in a Vietnam which has two main advantages, the "will to succeed" and a "large and active" population.

Nong Duc Manh Greets Russian Parliament Leaders

BK1901155194 Hanoi VNA in English 1530 GMT 19 Jan 94

[Text] Hanoi VNA Jan. 19—National Assembly Chairman Nong Duc Manh yesterday extended his congratulations to Mr. V. Shumeyko and Mr. I. Rybkin on their elections as chairmen of the Federation Council (Upper House) and of the Duma (Lower House) of the Parliament of Russia respectively.

Further Reportage on Midterm Party Conference

Continuation of Do Muoi Report

BK2401141994 Hanoi Voice of Vietnam Network in Vietnamese 0800 GMT 21 Jan 94

["Continuation of Part Two" of the seventh party Central Committee's political report delivered by General Secretary Do Muoi at the opening of the Midterm National Party Conference at the Ba Dinh Conference Hall in Hanoi on 20 January—read by announcer]

[Text] 3. Build a Uniform Market Mechanism Under State Management and in Accordance With Socialist Orientations.

Continued efforts must be made to build a new economic structure, bearing in mind the need to persist in the transition to the market mechanism while at the same time increasing the efficiency of state management. Steps must be taken to perfect apparatuses and policies to create necessary conditions for the market mechanism to operate effectively. It is necessary to guarantee the right of autonomy of businessmen. Prices should be set mainly by the market. Market indicators are very important factors for allocating resources to production and business establishments. It is important to adopt incentive measures to encourage everyone to compete in a legitimate and wholesome manner. Steps must be taken to limit monopoly. Business people have the right to earn profits in a legitimate way. The state only sets the prices of a small number of goods and services bearing a particularly important socioeconomic significance or having a highly exclusive nature. In any case, prices must

all be set within the limits of the market mechanism. It is necessary to stabilize transporation costs and the prices of electricity, water, fuel, and oil. Steps must be taken to eliminate the system of providing subsidies for losses. It is important to regulate income distribution in a rational way and create conditions for expanding production facilities and for reducing waste of resources. It is necessary to abide by the principle of positive [laix duwowng] interests, closely monitor the rates of inflation, and create favorable conditions for both savings and loans. It is important to regulate currency exchange rates in a satisfactory manner, bearing in mind the need to see to it that the actual rates remain relatively stable but not rigid and henceforth, help promote exports and control imports. Plans must be worked out to determine fees and wages in a rational manner. It is necessary to formulate a selective subsidy policy for agricultural and export products. Appropriate measures must be taken to protect local products and the interests of both producers and consumers. Uniform steps must be taken to form various types of markets, products, services, labor resources, capital, technology, real estate, and so forth.

It is necessary to step up state macro-management to direct and guide the overall performance of the national economy. Efforts must be made to create an economic environment and legal boundaries for production and business activities. Measures must be taken to develop positive factors, prevent or contain the adverse impact of spontaneous or negative actions, and overcome the inherent shortcomings of the market mechanism. Henceforth, these will cause the latter to become a really important instrument for distributing and making better use of all sources of strength as well as for distributing or redistributing the national income to guarantee equilibrium between revenue and spending, regulating the interests of the various economic sectors and people of all walks of life, meeting the growing demands of development, and ensuring social justice.

The state macro-management system must cover all areas of the national economy and economic sectors instead of the state business sector only. It is necessary to strengthen the concentration and uniformity of government agencies when it comes to exercising macroeconomic management. At the same, it is necessary to increase the responsibilities and power of sectors and localities in case they can work out better solutions to the various problems involved.

It is necessary to guarantee the right to autonomy of business establishments. Special ministerial agencies should devote efforts to carry out their functions as development project planners for economic and technological sectors under their charge satisfactorily. They should also provide direction, assistance, and supervision for operations of business establishments belonging to different economic sectors and in different areas of activity as specified under their state management functions. It is important to strengthen the role of interministerial agencies in overseeing the overall performance of all sectors and areas of operations, thus putting all socioeconomic activities under the state's effective macro-management system.

Administrative organs at all levels should perform their state management functions in areas under their charge by overseeing the operations of business establishments belonging to different economic sectors, bearing in mind the need not to distinguish between central and local economic organizations.

Steps must be taken to perfect the legal system to ensure strict observance of rules and regulations. Efforts must be made to consolidate and strengthen the advisory role of planning agencies so the latter can formulate good plans and projects to serve development goals, calculate and maintain a balanced macro-management system, adjust investment structures, effect economic restructuring, and serve as a venue for coordinating efforts to tap all sources of strength at home and abroad and make effective use of them to realize socioeconomic development goals.

We must continue to reform the financial and monetary system fundamentally and comprehensively, while satisfactorily promoting economic activities to increase investment and development. We must strive to ensure uniform management of the national financial system, savings, and expenditure; improve financial work of the state, enterprises, and the population. Efforts should be made to improve budget management at the central and local levels to ensure sufficient allotments for normal expenditure, investment development, and national defense. We must mobilize capital at home and abroad, strive to meet immediate requirements, practice thrift, and promote investment development for long-term interest.

We must encourage state-run enterprises to carry out autonomous financial management under close supervision and control by the state.

We must strive to keep the budget deficit at lower than five percent of the GDP, make great efforts to increase state revenue to pay for expenditure, refrain from issuing banknotes to resolve the budget deficit, and strive to balance income and expenditure. Efforts must be made to reform the accounting system and improve auditing at the state and private sectors.

The central state bank must formulate and implement the monetary policy to ensure effective allotment, transfer, and remittance of money; curb inflation; coordinate with financial, trade, and price agencies to maintain average annual price increase to single digits only; strive to balance international debt while increasing foreign currency reserves. The financial and banking sectors must satisfactorily carry out their functions of establishing funds, and effectively use and provide credits, and strive to meet requirements for economic development. This is to maintain their role as a center for the settlement and circulation of money within

society. They must strive to improve the foreign currency management mechanism to create conditions for the Vietnamese dong to be effectively circulated and for it to become the sole currency for the settlement of debt nationwide.

4. Measures to resolve cultural and social issues:

Our party and state's guiding thought in carrying out the cultural and social work is to care for, foster, and develop the human factor to create a driving force for revolutionary objectives. Efforts must be made to resolve various current issues to ensure social justice, enhance the people's intellect, promote a healthy atmosphere in society, and protect and develop our national cultural traits. To effectively create sufficient jobs for workers, the state and people must save money for investment development while satisfactorily implementing the socioeconomic strategy. They must encourage all economic components, citizens, and investors at home and abroad to expand branches and occupations to create more jobs for the laborers and reduce the number of unemployed workers, expand foreign trade, and promote the export of laborers. Efforts must be made to organize vocational training for youths to enhance their professional skills. For personnel and workers laid off by administrative agencies and economic units, we must reorganize and provide them with vocational training as well as loans to help them become involved in production and business or to find other jobs for them, while striving to set up consultative agencies to introduce new jobs.

We must formulate laws to protect the legitimate interests of both employees and employers at private capitalist business establishments. The laws on labor, wages, insurance, and taxes have been and will be promulgated in accordance with investment promotion, the elimination of social injustice, and opposition against illegal businesses. The statutes, regulations, and disciplines for workers formulated by business establishments must not stand against state laws.

It is necessary to say that the economic growth rate should be in parallel with social progress and justice at each stage of development. Social justice should cover areas such as the distribution of the means of production, income in accordance with results in production, and equal opportunity for each member of the production force to develop his ability. We must implement the principle of distributing more income to those who work and contribute more and vice versa, while striving to oppose mediocrity, and a dependence on others. We must ensure income is distributed in accordance with labor. We must encourage and treat competent and capable workers appropriately, and ensure a fair income for investment projects especially in production and business. We should encourage the people to amass wealth through honest means, while fighting poverty and hunger, motivate the rich to participate in economic development; formulate policies to rationally promote credit, taxation, vocational training to create conditions for the poor to be able to progress and to earn enough and become rich. Various former wealthy areas should, together with the state, assist the poor and underdeveloped areas. We must mobilize rich people to contribute in helping the poor by providing loans, equipment, and materials and in the transfer of experience and working methods. We should set up funds to repay those who have rendered meritorious services to the state, formulate appropriate policies for the rich, mobilize business enterprises and private organizations to participate in humanitarian and charitable activities to help the victims of war and natural calamities as well as the disabled, the aged, and the homeless who can no longer work.

The responsibility of each citizen in solving their own individual and family problems should be heightened. At the same time, the common sharing of responsibilities in society in general should be intensified to develop our people's humanitarian tradition.

The goals and measures set forth in the seventh party Central Committee Fourth Plenum Resolution on education and training, culture, the arts, public health care, and population and family planning work must be continued so that in a few years significant achievements can be recorded in our education service, thereby helping the education service fulfill its role in upgrading the people's mental abilities, creating the people's labor force, and improving the people's skills.

At first, compulsory elementary education must be implemented. And, if possible, universal secondary education should be introduced in some localities. Policies to exempt and reduce school fees and provide suitable financial assistance must be applied to guarantee the education of children from poor families, especially those living in isolated, high, and former revolutionary base areas.

Existing ethnic boarding schools must be consolidated and more boarding schools must be built. We must reorganize the vocational training system, upgrade the service provided by teachers' colleges, and rearrange the tertiary education system by linking academic training with vocational skills, study with practice, and training and research with production.

National university centers must be built with improved goals, curriculums, and education methods to meet national development requirements. Planning for fostering and retraining the contingent of teachers must be established, policies to grant appropriate rewards to teachers must be introduced, and the state management of the education and training service must be strengthened.

Last Part of Do Muoi's Report

BK2501112594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Jan 94

["Last part" of political report delivered by Do Muoi at Midterm National Party Conference in Hanoi on 20 January—read by announcer] [Text] We must continue to thoroughly understand conceptions and implement lines and measures set forth by the party third plenum. We must concentrate on political and ideological work to ensure the political and ideological unity in the entire party. Cadres and party members must be given regular training on the party's conceptions and lines to upgrade their knowledge, confirm their commitment in the socialist path, and help them to creatively apply and develop the Maxist-Lenininsm, Ho Chi Minh thought, and advanced ideas of our times and grasp new thinkings to correctly resolve problems arising from real situations.

The ideological work must first must concentrate on pressing problems that need to be dealt with quickly. Through practical research and review, problems arising from the renovation process together with measures to solve them must be scientifically clarified. Mistaken conceptions and vague and unsure ideologies must be corrected. We must fight against all opportunistic, rightist, dogmatic, and conservative manifestations.

Party cadres and members must strictly observe the party's resolutions and directives and state laws. They must not disseminate conceptions contradicting the party's line.

Party unity and unification must be strengthened. Principles relating to party organization and activity—first, the principle of democratic centralism and the principle of collective leadership and individual responsibility—must be implemented. Revolutionary morality and healthy lifestyles must be drilled to fight against waste, corruption, and illegal business. We must fight against personalism, indiscipline, arbitrariness, authoritarianism, parochialism, and clannishness.

The party protection work and the work to ensure internal and national secrecy must be given particular attention. All conspiracies and tricks to degenerate the party cadres must be eliminated. The control work on the implementation of the party's lines, policies, and regulations must be strengthened.

The national unity block must be broadened, and the close relationship between the party and the public must be consolidated. Uncle Ho's thoughts must be promulgated to broadly unite all Vietnamese people in supporting the renovation cause for national independence and in striving to extricate ourselves from poverty and backwardness to surge forward for the goal of rich population, strong nation, and just and civilized society.

We must consider national interests as a common goal. At the same time, we accept different viewpoints as long as they do not counter the national interests. We should eliminate obsession of hatred to look forward to the future. The ideology of great unity must be manifested in all state guidances, policies, and laws.

We must perfect policies to guarantee the interests and roles of the workers, peasants, and intelligent. The forces of women and youth must be fostered and developed.

The party and state's policies regarding the ethnic and religious people, industrialists, businessmen, overseas Vietnamese community must be supplemented and satisfactorily implemented.

The party echelons and party committees must hold study workshops before implementing party Central Committee and Political Bureau resolutions on the work relating to fatherland fronts and mass organizations. We have to set up mechanisms to coordinate activities between state organs and mass organizations. The work content, method, and attitude of the fatherland fronts and mass organizations must be revamped.

We have to reform cadre-related work. First we have to renew our conceptions and methods of our cadre-related work in assessing, selecting, employing, and deploying, especially key cadres. Gifted people must be trained, fostered, and employed. We have to create favorable conditions for good people, both inside and outside the party and inside and outside the country, to contribute their best efforts to the nation.

The contingent of cadres must be rejuvenated. Woman and ethnic cadres must be given special attention. We must fight against narrow-mindedness, parochialism, prejudice, and discrimination. The evaluation, choice, and assigning of leading cadres at all levels must base on fundamental standards outlined in the Third Central Committee Plenum resolution. We must pay particular attention to their political knowledge, determination in the party's goals and ideals, and morality and life style to ensure that they always exercise diligence, practice frugality, instill honesty, and uphold righteousness. They must not be corrupted and determined in fighting against corruption. They must have consciousness of organization and discipline, stay close to the masses, and obtain a capacity and quality in par with their duties.

We will bring about democratization of party member work. The evaluation of cadres must be done collectively by the party committee directly managing the cadres together with relevant agencies and must be done in accordance with proper process in a democratic, conscientious, and fair manner. Every cadre has the right to be informed and to give opinion on the evaluation by the party committee and agency leaders on the concerned cadre.

All party organizations will reorganize and reevaluate the existing contingent of cadres, and base on this evaluation to build up plans for party member work from mow until the year 2000, which will correspond to the requirements of quantity, quality, and structure of cadres.

We will provide training and further training to cadres according to plans. The training content must be specific for each task and requirements of each concerned position. Renovation must be carried out in both teaching and studying methods in training, while adequate funds must be provided to the training provision. Party members, especially the cadres at all levels, must regularly

study, enrich their knowledge, heighten their understanding level, and improve their revolutionary characteristics.

We have to urgently prepare the human force for the eighth party congress and the later years. We have to improve the policies and awards for cadres, renovate our thinking, heighten the scientific characteristic of the organization task, and continue to overhaul the organization system to guarantee a light and effective party mechanism with high efficiency.

We have to boost the research on organization models, discern each function, duty, and leadership style of the party at all sectors and echelons, and from there set up plans to perfect the organization and rationalize the mechanisms of the party, state, and other organizations.

We will renovate the party's leadership model. Our party is a ruling party, which sets up policies and lines for the national construction and protection. The successful implementation of party's policies and lines requires us to grasp firmly the organization and cadre work. The party leads applying the democratic centralism principle, and the principle of collective leadership with individual responsibility. The leadership task is fulfilled through the party organization, not through the individual party cadre. The leader executes collective decisions, follows up and guides the implementation, encourages good deeds, corrects deviations to develop the role and efficacy of the state, not to replace it.

We must heighten militant character of the party members contingent regarding consolidation of grass-roots party organizations. At present, the political determination and loyalty to the party's ideals, to working people's interests and interests of the people as a whole, are essential characteristics of a party member. The party regulations clearly stipulate the criteria and duties of a party member, and every member must abide by these regulations, be a model in striving to become an excellent worker, cadre, or manager, who fulfills all assigned tasks, studies regularly to improve knowledge and work ability, respects organization disciplines, fosters party unity, and strictly follows state laws.

We have to handle in a timely and strict manner those degenerated and deviated party members, and those breaching party disciplines and state laws. We continue to expel from our party those who do not have membership eligibility any more. We must perform well the party development task, especially among youth and women and in organizations where grass-roots party organizations do not exist or have too few members.

We will rejuvenate the party contingent. On the occasions of the party's 65th founding anniversary and other important festivities in 1994, we will launch education and training campaigns on party development with prime attention be focused on youth, in preparation for the eighth party congress.

In front of us is a new era full of promising potentials, challenges that we determine to overcome, and favorable opportunities we must exploit. All of our party, army, and people must stick together, be unified in the struggle to successfully implement the resolution of the Seventh Party Congress and bring the renovation undertaking forward with ever greater victories.

24 Jan Proceedings Reported

BK2401145494 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Jan 94

[Text] Today, 24 January, the delegates to the Mid-Term National Party Conference worked in groups, exchanging views in preparation for the election of additional personnel to the party Central Committee.

Conference Closes 25 Jan

BK2501122594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Jan 94

[Text] Today, 25 January, the midterm national party conference held its closing session in the conference hall. The delegates adopted the seventh party Central Committee's political report and the 10 particularly important tasks mentioned in the report with a vast majority of votes.

Next, the delegates elected 20 more comrades to the party Central Committee to replace those comrades who are in poor health conditions. The elections took place strictly in accordance with the statutes of the Party Central Committee. Comrade Nguyen Van An, head of the vote-counting committee, made public the namelist of those comrades who have just been elected to the Seventh Party Central Committee as follows:

- 1. Comrade Dao Trong Lich
- 2. Comrade Phan Dien
- 3. Comrade Phan Huy Tam
- 4. Comrade Bui Quang Huy
- 5. Comrade Le Van Dien
- 6. Comrade Ho Duc Viet
- 7. Comrade Le Mai
- 8. Comrade Nguyen The Tri
- 9. Comrade Dang Thanh Hoc
- 10. Comrade Hoang Thua
- 11. Comrade Truong Cong Thang
- 12. Comrade Tran Cong Vu
- 13. Comrade Dinh Chung
- 14. Comrade Nguyen Phu Trong
- 15. Comrade Ha Manh Tri
- 16. Comrade Le Thanh Dao
- 17. Comrade To Xuan Toan
- 18. Comrade Thai Phung Ne
- 19. Comrade Vo Van Cuong 20. Comrade Hoang Van Nghiem

The conference warmly welcomed those newly elected comrade members of the party Central Committee.

Afterward, Comrade General Secretary Do Muoi delivered the closing speech to the Midterm National Party Conference. Comrade General Secretary Do Muoi pointed out: Over the past days, by upholding the sense of responsibility toward the party and people, the delegates to the midterm national party conference worked with a high sense of urgency, taking into account and evaluating the socioeconomic achievements that we have scored since the seventh party congress. Their evaluation results were modest and accurate. The delegates also contributed additional views on the dangers, challenges, and key tasks that our entire party, people, and army will have to face in the days ahead. The party conference this time is further proof of our party's clearsighted leadership and determination to pursue Marxism-Leninism and Ho Chi Minh ideology. The success of the conference testifies to the singlemindedness of all party members and our people's confidence in the party.

On behalf of the party Central Committee, Comrade General Secretary Do Muoi declared the midterm national party conference closed. He expressed his hope that delegates and party committee echelons would take prompt measures to disseminate the conference's resolution to our people of all walks of life, thus motivating everyone to contribute their wisdom and strength to leading the party-initiated renovation undertaking to final victory.

Conference Issues Resolution

BK2501154494 Hanoi Voice of Vietnam Network in Vietnamese 1430 25 Jan 94

[Text] The Midterm National Party Conference has issued the following resolution:

- 1. Adopt the Communist Party of Vietnam Central Committee's political report delivered by Comrade General Secretary Do Muoi at the Midterm National Party Conference.
- 2. Charge the party Central Committee with the task of revising the report based on the proposals and ideas expressed by delegates and approved by the conference presidium before making its official announcement.

Conference Issues Communique

BK2501152294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Jan 94

["Communique of the Midterm National Party Conference" issued in Hanoi on 25 January—read by announcer]

[Text] The Midterm National Party Conference was held from 20 to 25 January at the Ba Dinh Conference Hall in Hanoi and was attended by 647 delegates. The conference appraised the implementation of the Seventh National Party Congress' resolution and reviewed results in the renovation process since the Sixth National Party Congress to pinpoint certain issues on the path toward socialism in our country. It also asserted objectives and

key measures aimed at triumphantly implementing the seventh national party congress' resolution to lead our revolutionary cause to advance further.

The conference conducted a suplementary election of the party Central Committee in accordance with the stipulations of the party statutes.

After six days of urgent work with a high sense of responsibility toward the revolutionary cause, the fatherland's destiny, and the nation's future, the Midterm National Party Conference discussed and issued a resolution adopting the party Central Committee's political report. It elected 20 new members to the party Central Committee, bringing the total number of the seventh party Central Committee to 161 members.

The Midterm National Party Conference called on the entire party, Armed Forces, and people to strive to develop the tradition of building and defending the nation; to uphold the spirit of independence, self-reliance, diligence, thriftiness, honesty, and righteousness; and to build and defend the fatherland while scoring ever greater achievements in the renovation process.

Defense Minister Urges End to Corruption

BK2501131494 Hong Kong AFP in English 1217 GMT 25 Jan 94

[Text] Hanoi, Jan 25 (AFP)—Vietnamese Defense Minister Doan Khue urged the army to end corruption in its units, a "priority" task for 1994, the army daily QUAN DOI NHAN DAN reported Tuesday.

"The army must take more active measures...to struggle against corruption and smuggling in its ranks," the daily said, adding that the measures were a "limited" success in 1993. About 100 corruption and smuggling cases were adjudicated by the army, of which 20 were decided by military tribunals, it said. The corruption cases concerned military vehicles used to transport smuggled goods and the diversion of funds or materials, the QUAN DOI NHAN DAN said.

Several members of the communist party serving in the army were sanctioned last year due to their direct or indirect participation in corruption and smuggling, the newspaper said. It put the value of goods recovered by the army at several hundred thousand dollars.

A senior military official, General Nguyen Truong Xuan, was sentenced to 20 years' imprisonment in 1987 for his role in trafficking in the northern port of Haiphong.

Corruption is increasingly affecting the institutions charged with defending the stability of the government—the police and, to a lesser extent, the army—at a time when Vietnam is working towards a market economy. The monthly wage of an officer varies between 300,000 and 700,000 dong (30-to-70 US dollars). The Vietnamese army has about one million men, according to official estimates.

Hanoi Banks' Capital Reported, No Shortages

BK2001091594 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 19 Jan 94

[Text] To satisfactorily carry out the socioeconomic development tasks—particularly in the areas of industry, commerce, tourism, and agriculture—set forth by the capital, Hanoi, for the next remaining two years under its 5-year plan, the Hanoi banking sector has held a conference to review its reform activities over the past three years.

In attendence were Comrade Pham The Duyet, member of the Political Bureau and secretary of the Hanoi Municipal Party Committee; Comrade Cao Sy Kiem, member of the party Central Committee and governor of

the Vietnam State Bank; and representatives of over 30 banks now operating in Hanoi.

By using various means of mobilizing capital in 1993, the banks in Hanoi acquired a total capital which was 39.7 percent of the country's total. The total amount of money they had lent out as of the end of 1993 amounted to 13,878 billion dong, accounting for 58.3 percent of the country's total loans and representing a 10-fold increase over those in 1991 and 1992. Banks in Hanoi have expanded their credit operations in various economic components. In particular, their medium- and long-term loans offered to various business firms to carry out technical innovation during 1993 increased 13 fold over 1992. The cash shortage situation is over. Formerly, it took eight days to resolve a banking transaction, but now it takes only one day. Banks have made active contributions to the economic growth of Hanoi.

Australia

Ministers Hail Chinese Tariff Reduction on Wool

BK2501070994 Melbourne Radio Australia in English 0500 GMT 25 Jan 94

[Text] The Australian Government is encouraged by a Chinese decision to cut tariff on some wool imports. From the start of this year, China reduced the tariff on short greasy wool from 15 percent to 10 percent, in recognition of the exchange rate effects of the recent float of the Chinese currency. Australia's trade minister, Peter Cook, and the primary industries minister, Bob Collins, say although the decision is subject to review in 12 months, it is a constructive development they say will help maintain wool's position as a textile in China. China also decided last November to reduce from 20 to 15 percent its tariff on wool tops. Australia has actively lobbied China on wool tariff reductions, including representations from Prime Minister Paul Keating during a visit to China late last year.

Iron Ore Price Talks With Japan Deadlocked

OW2001054494 Tokyo KYODO in English 0538 GMT 20 Jan 94

[Text] Sydney, Jan. 20 KYODO—Annual iron ore price negotiations between Australian iron ore suppliers and Japanese steelmakers were deadlocked this week following "a fundamental difference in views of the market," an industry source said Thursday [20 January].

Australian negotiators are arguing that increased demand in other markets for their iron ore should have an effect on prices, while Japanese buyers say that a continued downturn in sales in 1994 will result in further "substantial" price cuts, the source said.

"We see that for 1994 the iron ore market is at worst evenly balanced" between supply and demand, an industry source said. "The Japanese believe that the market is soft. They're allowing their own difficult circumstances to color that perception," he said.

Contending with continued financial difficulties, the Japanese steel mills still set the prices, buying some 50 million metric tons of iron ore from Australia each year. Last year they won a 10 percent drop in prices. But Australian negotiators believe that China's place in the market must now be considered. The Australians believe that China will take up the iron ore that the Japanese do not want, leading them to believe that there is no room for a price decrease.

China is expected to increase its annual purchase of iron ore from 28 million tons last year to approximately 34 million tons in 1994.

Australian negotiators believe that the tight supplydemand balance in the rest of the world could even justify a slight increase in prices. Meanwhile, they are interpreting their Japanese counterparts' description of a "substantial" cut to mean a 10 percent drop.

Australian negotiators are prepared to factor in Japan's economic difficulties but are refusing to consider any modification while Japan insists on "substantial" cuts, the source said.

"So, the way forward would be for us to form a common view of the market," the source said.

Negotiations will resume at the end of the month.

Annual Inflation Rate Drops to 1.9 Percent

BK2501064594 Melbourne Radio Australia in English 0500 GMT 25 Jan 94

[Text] Australia's annual inflation rate has fallen below 2 percent to the surprise of many economists and the federal government. Belinda Trump reports that the latest consumer price index data shows the cost of living rose just 1.9 percent in the year to December.

[Begin Trump recording] During the December quarter, the cost of living rose 0.2 of 1 percent. This brings the annual rate down from 2.2 to 1.9 percent—well below the federal government's 3 percent forecast for the financial year and below many market predictions. Contributing to today's figures were falling mortgage interests and consumer credit charges. These were offset by rises in cigarettes, petrol, fruit and vegetable prices, local government charges, and the cost of overseas travel and accommodation.

Of the capital cities, Hobart has the highest cost of living increase with a yearly inflation rate of 3.3 percent. Sydney has the lowest with an annual rate of 1.3 percent.

The federal treasurer, Ralph Willis, says today's encouraging inflation figures have put to rest, at least for the time being, any increase in interest rates. Mr. Willis says economists predicting interest rate increases later in the year will have to rethink their forecasts.

The treasurer says the annual inflation result of 1.9 percent for the year to December will also result in an upward revision of economic growth forecasts. Mr. Willis says he will soon announce how far the growth prediction will rise beyond the 3 percent rate set out in the budget. [end recording]

Marshall Islands

U.S. Failure To Release Nuclear Data Criticized

BK2501041894 Hong Kong AFP in English 0416 GMT

25 Jan 94

[Text] Majuro, Jan 25 (AFP)—Top Marshall Islands government officials have criticised what they say is the failure of the United States to release information about the effects of its nuclear test program here. Officials said

they believed the lack of data had led to inadequate compensation being paid to Marshall Islanders.

In the wake of US Department of Energy (DOE) admissions that US citizens were used as unwitting guinea pigs for nuclear experiments, Foreign Minister Tom Kijiner said Monday that the United States had failed to release full information about its nuclear test program in the Marshalls. His comments followed a recent medical study confirming that the Marshalls had a rate of thyroid tumours dramatically higher than in other parts of the world.

The study indicated health problems were not confined to the atolls of Rongelap, Utirik, Bikini and Enewetak, which the United States said were the only radiationexposed areas in the Marshalls.

During the early 1980s, Marshall Islands negotiators sought detailed information about the 66 announced nuclear tests, Kijiner said in an interview.

"But US officials told us there was no further information to provide to us," he said, adding that the US statements had proved to be false. "The United States wasn't fair to the Marshall Islands during the negotiations (of a treaty known as the Compact of Free Association between the two nations)."

Last month, the DOE released previously classified information about the size of a majority of its nuclear tests in the Marshalls, information Kijiner said the Marshalls first requested more than a year ago.

The foreign minister said the United States released only selected information during the negotiations on the Compact of Free Association so that nuclear compensation would be minimised.

Marshall Islanders had brought lawsuits in US courts seeking about five billion US dollars in compensation for damages from the nuclear tests.

The United States provided a 150 million dollar trust fund to yield about 270 million dollars over 15 years in the compact that was negotiated in the late 1970s and early 1980s.

Marshalls Washington ambassador, Wilfred Kendall, said here that the matter of US compensation "needs to be revisited."

He concurred with Kijiner, saying that "all the details (about the nuclear tests) were not on the table during the negotiations."

Their contention is supported by a leading US congressman, California Democrat George Miller who is chairman of the House Committee on Natural Resources.

In a letter to US President Bill Clinton earlier this month, Miller wrote: "This committee has long been concerned that the entire story of the testing done in the Marshalls Islands has not yet been told and that the health and well-being of a significant number of Marshallese may depend on a look at all the facts."

Miller said some Rongelap islanders, who were engulfed in a cloud of radiation from a 1954 hydrogen bomb test at Bikini, have charged that they were used as guinea pigs to further US understanding of the effects of radiation.

"In the light of the recent disclosures regarding actual radiation experimentation in the United States during this period, that possibility cannot be ignored," he wrote.

He called on the Clinton administration to declassify information on the nuclear test program in the Marshalls.

Vanuatu

Fishing Agreement With Taiwan To Be Reviewed BK2501064794 Melbourne Radio Australia in English 0500 GMT 25 Jan 94

[Text] A bilateral fishing agreement between Vanuatu and Taiwan is to be reviewed. The Taiwan-based (Minda) Association, which adminsiters Taiwanese vessels fishing in Vanuatu, called for the review in protest against the Vanuatu's Supreme Court finding a Taiwanese fisherman guilty of breaching Vanuatu fishing laws. In its letter to Vanuatu's Fisheries Department, the (Minda) Association complained that Vanuatu is much stricter than other South Pacific nations in policing its laws. The director of National Surveillance Center, John Toleo, says fishing management in Vanuatu's exclusive economics zone is very important and Vanuatu will continue to police its laws. But Capt. Toleo says he will advice (Minda) that Vanuatu will set up a committee to review and consider amendments of the 1989 Agreement.

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